

Annual Report 2025

Buninyong & District
Financial Services Limited

Community Bank
Buninyong

ABN 63 137 673 388



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Chair's report

For year ending 30 June 2025



Welcome to the 2025 Annual Report of Community Bank Buninyong.

At the centre of everything we do is our community and our customers. We are proud to operate under the Bendigo Bank banner, where our purpose goes beyond banking. We provide trusted financial services while returning profits to Buninyong and district. Our vision is clear: to build a thriving, resilient and inclusive community.

Performance in a Changing Environment

The 2024–25 year was challenging. Margin reductions and uncertainty around Reserve Bank interest rates created difficult trading conditions. Customer behaviour shifted, with many moving from new lending to refinancing. As a result, revenue fell by 3.5% and profit before community investment decreased by 22%.

Despite these pressures, we delivered on our purpose. Community contributions reduced by 9%, reaching \$313,967, still an outstanding result that demonstrates our commitment to putting people first.

Total equity increased to \$1.745 million, representing the growing strength of our business. With 691,838 issued shares, the value of the Buninyong enterprise continues to expand. Although the trading share price has historically stayed close to its original value of \$1, the asset backing per share of over \$2.50 now reflects a true value well above that level.

Business Performance

Business Performance	2025	2024	2023	2022	2021
Profit before CI	\$548,361	\$702,071	\$985,380	\$415,520	\$511,429
CI	\$313,967	\$345,130	\$238,461	\$291,753	\$227,789
Profit Before Tax	\$234,394	\$356,941	\$746,919	\$123,767	\$283,639
Net Income	\$176,792	\$268,132	\$558,856	\$90,287	\$222,888
Total Equity	\$1,745,406	\$1,637,798	\$1,438,850	\$949,177	\$922,511
ROE	10.13%	16.37%	38.84%	9.51%	24%
EPS	25.55c	38.76c	80.78c	13.05c	32.22c
Dividend	10c	10c	10c	10c	10c

Customer Growth and Service Excellence

Our success is built on the loyalty of customers who choose to bank local. Under the leadership of Branch Manager, Randall Dreger, the Buninyong team delivered exceptional service and achieved strong growth across both deposits and lending.

- Customer numbers increased by 5%
- The total portfolio grew by \$25 million, with loans up \$9 million and deposits up \$16 million

Chair's report (continued)

- Our business reached a record \$320 million in total portfolio
- We were proud to win Bendigo Bank's Lending Growth Award for Victoria
- We were equally proud to receive an SME Ballarat Business Award

Much of this growth came from customer referrals. This is the clearest sign of success, as it shows the trust our customers place in us and their willingness to recommend our services to family and friends.

Investing in Our Community

Community investment remains at the core of who we are. We connect people, facilitate partnerships and leverage resources to strengthen local organisations.

Highlights this year included:

- Spark Tank, where \$50,000 was awarded to grassroots projects in a night of collaboration, innovation and community spirit.
- Partnerships that built youth resilience through leadership, wellbeing and personal development programs.
- Support for community groups to build skills, confidence and long-term sustainability.

This is what sets Community Bank apart. We build financial capital, but we also create community capital that benefits everyone.

Leadership and Renewal

This year we farewelled long serving Directors Ian Corcoran, Ron Delaland and Richard McDowell. Their dedication and leadership over many years have been instrumental in building a strong and successful business. Their contributions culminated in the purchase of our new premises at 407 Warrenheip Street, adjacent to our Community House. The relocation, scheduled for completion before Christmas 2025, reflects both our confidence in the future and our belief in the enduring strength of Buninyong.

I would like to extend my sincere thanks to Ian for his support and guidance during the smooth transition of Chair responsibilities. I also acknowledge my fellow Directors for their commitment and passion in advancing our vision. With our five strategic pillars of Governance, People, Community Impact, Presence and Future Proofing as our guide, we are continuing to build a stronger organisation and a more resilient community.

Looking Ahead

We are excited about the future. While digital competitors remain a challenge, they also create opportunities to connect with more customers across Buninyong and beyond. Our strong systems, talented people and clear strategy position us well for continued growth.

Most importantly, I want to thank our customers. Your loyalty and advocacy drive everything we achieve. Every account opened, every loan taken and every referral made helps us reinvest more into Buninyong and district. Together, we are proving that banking can be bigger than profit alone.

When you bank local, you bank for your community!

Brett Jones
Chair

Manager's report

For year ending 30 June 2025



I'm thrilled with the achievements that 2024–25 was again able to deliver. Our Community Investment program is running strong with the addition of SparkTank, which was a wonderful night of collaboration, partnership, and CWA passionfruit sponge.

Within the branch, we have, once again, defied expectation and exceeded Bendigo Bank's growth targets. EOFY shows a \$25 million total portfolio growth split between our loan and deposit portfolios by \$9 million and \$16 million, respectively. My goal, last year, was to exceed \$300,000,000, and we ended the year at \$320,000,000! As a benchmark, our branch won the Lending Growth Award for our state.

A big thank you to our staff who diligently and unquiveringly exercise care in ensuring that we are meeting all our customers' expectations and needs. With much of our new customer base coming from customer referrals, our strong customer advocacy is once again the primary driving factor of our growth.

Online competition remains strong, but we continue to grow our footprint to the south and north. The digital world remains a threat, but it is also a great opportunity as it makes it easier for us to engage with new customers, regardless of their physical location.

This year we farewelled Wayne as we streamlined our lending team to take advantage of new processes and procedures that our franchisor, BEN, is developing. With additional investment in this space, we expect to continue to gain operational efficiencies.

I'd also like to thank the Board for their direction and insight. Finally, and most importantly, I'd like to thank our customers for their support and spreading the word about our service, products and purpose.

You need to bank somewhere. Why not bank where you can make a tangible difference in the community in which you live?

Call to action: Spread the word!

Randall Dreger
Branch Manager

Directors' report

The Directors present their report of the company for the financial year ended 30 June 2025.

Directors

The following persons were Directors of Buninyong & District Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other directorships
Brett Andrew Jones Chairman Board member since March 2023	BEng (Hons) MBA Juris Doctor Grad Dip Legal Practice GAICD FGIA	CEO/MD in ASX listed public and private organisations across the automotive, building, manufacturing, waste/recycling Project management Professional services and sports administration sectors Current Director McCallum Disability Services
Ian J. Corcoran Director Board member since November 2012	Dip Bus (Acc) GAICD	Retired McDonalds Licensee Deputy Chair Ballarat Foundation Chair Wildlife Resilience Foundation Immediate past-Chair AICD Ballarat Director Buninyong Golf Club
Richard G. McDowell Director Board member since April 2016	Dip Bus (Acc) FCA CTA MAICD	Semi-retired Chartered Accountant over 45+ years practice Retired director Victorian Water Industry over 20 years Director/Treasurer Buninyong Golf Club, Ballarat West Rotary and Ballarat Swap Meet Director 6 Small/Medium Businesses
Ronald L. Delaland Director Board member since June 2009		Director Delaland Holdings Owner/Local Trader - Buninyong Newsagency Buninyong Golf Club - President and Committee roles
Andrea Mason Director Board member since October 2018	BAppSc Cert IV Training & Assessment	Director of Finding North - Aspects of Sustainability Chair of Australian Landcare Int. Board Member of Buninyong Landscape Alliance
Joanne Simone Innes Director Board member since October 2018	Adv Dip Bus. Man. Adv Dip HR AHRI	HR Practitioner with over 22 years HR and Business Management experience
Debbie Rybicki Director Board member since February 2022	Grad Cert Journalism BSc (Physio)	Eleven years experience as a radio journalist with the ABC Past experience in the private and public health care sectors. Buninyong School Council Member
Oarabile Omaru Maruatona Director Board member since February 2022	Software Eng (Hons) PhD Applied AI	CEO at Aiculus, Advisor at CyLon Cybersecurity (UK) and The Business Pickle (Aus). 12 years of cybersecurity, risk and artificial intelligence experience.
Graeme Benn Treasurer Board member since July 2024	B.Com.CPA.M.Teach	Accountant at TRG Accountants with a keen interest in construction and primary production. President of the Buninyong Primary School Council

Directors' report (continued)

Directors' meetings

Attendances by each Director during the year were as follows:

Director	Board meetings		AGM	
	A	B	A	B
Richard McDowell	6	3	1	1
Ron Delaland	6	6	1	1
Ian Corcoran	6	6	1	1
Andrea Mason	6	6	1	1
Joanne Innes	6	6	1	1
Debbie Rybicki	6	6	1	1
Oarabile Omaru Maruatona	6	6	1	1
Brett Jones	6	5	1	1
Graeme Benn	5	5	1	1

A - The number of meetings eligible to attend.

B - The number of meetings attended.

N/A - not a member of that committee.

Company Secretary

Robert Tommasini was appointed as Company Secretary in March 2019 and ceased as Company Secretary in March 2024.

Stephen Linneo Bigarelli was appointed as Company Secretary in January 2024 and ceased as Company Secretary in May 2024.

Joshua Daniel Wolff was appointed as Company Secretary in May 2024 and ceased as Company Secretary in December 2024.

Scott Sherritt was appointed as Company Secretary in March 2025.

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank** branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

The Company owns a house at 407A Warrenheip Street Buninyong and the Company has made the house available for use by the community as a Community House, which is managed by Community House Buninyong Managment Inc.

There has been no other significant changes in the nature of these activities during the year.

Review of operations

The profit/(loss) of the company for the financial year after provision for income tax was \$176,792 (2024 profit: \$268,132), which is a 34.06% reduction as compared with the previous year.

The net assets of the company have increased to \$1,745,406 (2024: \$1,637,799).

Dividends

Dividends paid or declared since the start of the financial year.

A fully franked final dividend of 10 cents per share for the year ended 30 June 2024 was declared and paid during the year for the year ended 30 June 2025. A fully franked dividend of 10 cents per share has been proposed for the year ended 30 June 2025 and is anticipated to be paid during the year ending 30 June 2026 from the dividend reserve.

Directors' report (continued)

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Likely developments

The company will continue its policy of providing banking services to the community. The Company acquired 407 Warrenheip Street, Buninyong and works have commenced for it to become our new branch.

Environmental regulations

The company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability incurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor of the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at **page 9** of this financial

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Directors' report (continued)

Remuneration report (continued)

Remuneration benefits and payments

Joshua Daniel Wolff (whilst not a director) received \$5,000 in payments for Company Secretary duties under his contract.

No other 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. 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.

The Buninyong & District Financial Services Limited has NOT accepted the Bendigo and Adelaide Bank Limited's Community Bank® Directors Privileges package.

Equity holdings of key management personnel

The number of ordinary shares in the company held during the financial year and prior year by each Director and other key management personnel, including their related parties, are set out below:

Name		Balance at 30 June 2024	Net change in holdings	Balance at 30 June 2025
Directors				
Richard McDowell		16,500	-	16,500
Ron Delaland		28,201	-	28,201
Ian Corcoran		5,000	-	5,000
Andrea Mason		-	-	-
Joanne Innes		-	-	-
Graeme Benn		-	-	-
Brett Jones		-	-	-
Debbie Rybicki		-	-	-
Oarabile Omaru		-	-	-

Signed in accordance with a resolution of the Board of Directors on 5/11/, 2025



Brett Andrew Jones
Chairman

Auditor's independence declaration

MOR Accountants



Chartered Accountants

Ballarat

Cnr Dana & Dawson Streets
Ballarat Vic 3350
Telephone: (03) 5333 3202
Facsimile: (03) 5333 3381

Melbourne

By Appointment

Postal

406 Dana Street, Ballarat Vic 3350
Email: info@mor.net.au

www.mor.net.au

Buninyong & District Financial Services Limited

AUDITORS INDEPENDENCE DECLARATION

To the directors of Buninyong & District Financial Services Limited

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

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

This declaration is in respect of Buninyong & District Financial Services Limited during the year.

D. G. Abbott
Partner
MOR Accountants, Ballarat
Dated: 5/11/2025

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors D.J. Molloy CA | P.R. Hansen CA | J.A. Edgar CA | P.A. White CA
D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA | K.R. Goodson CA

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Financial statements

Buninyong & District Financial Services Limited
ABN 63 137 673 388
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2025

	<u>Notes</u>	2025 \$	2024 \$
Revenue	2	1,882,441	1,950,176
Expenses			
Employee benefits expense	3	(818,267)	(804,482)
Depreciation and amortisation expense	3	(90,761)	(89,540)
Finance Costs	3	(1,126)	(897)
Administration & General Costs	3	(328,251)	(250,825)
Bad and doubtful debts expense	3	(779)	(14,965)
Information Technology Costs	3	(43,877)	(35,868)
Occupancy - Banking	3	(41,511)	(43,218)
Occupancy - Community House	3	(2,225)	(1,582)
ATM Expense	3	<u>(7,283)</u>	<u>(6,726)</u>
Operating profit/(loss) before charitable donations & sponsorships		548,361	702,072
Charitable donations and sponsorships	3	<u>(313,967)</u>	<u>(345,130)</u>
Profit/(loss) before income tax expense		234,394	356,942
Income Tax expense / (benefit)	4	<u>57,603</u>	<u>88,811</u>
Profit/(loss) for the year		176,792	268,132
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>176,792</u>	<u>268,132</u>
Profit/(loss) attributable to members of the company		176,792	268,132
Total comprehensive income attributable to members of the company		<u>176,792</u>	<u>268,132</u>
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):			
- basic for profit / (loss) for the year	17	25.55	38.76
- diluted for profit / (loss) for the year	17	25.55	38.76

The accompanying notes form part of these financial statements

Financial statements (continued)

Buninyong & District Financial Services Limited
ABN 63 137 673 388
Statement of Financial Position
As at 30 June 2025

	<u>Notes</u>	2025 \$	2024 \$
Assets			
Current Assets			
Cash and cash equivalents	5	515,812	1,069,813
Trade and other receivables	6	168,026	181,869
Current Tax Refundable	4	6,541	-
Total Current Assets		<u>690,379</u>	<u>1,251,682</u>
Non-Current Assets			
Property, plant and equipment	7	1,300,063	699,878
Deferred tax asset	4	30,613	21,256
Intangible assets	8	2,515	15,901
Right-of-use Assets	11	10,863	51,322
Total Non-Current Assets		<u>1,344,054</u>	<u>788,357</u>
Total Assets		<u>2,034,434</u>	<u>2,040,040</u>
Liabilities			
Current Liabilities			
Trade and other payables	9	137,854	124,754
Current Tax Payable	4	-	74,285
Leases	11	15,160	45,168
Provisions	12	126,618	135,654
Total Current Liabilities		<u>279,632</u>	<u>379,860</u>
Non-Current Liabilities			
Leases	11	-	15,166
Borrowings	10	1,322	-
Provisions	12	8,074	7,215
Total Non-Current Liabilities		<u>9,396</u>	<u>22,381</u>
Total Liabilities		<u>289,028</u>	<u>402,242</u>
Net Assets / (Liabilities)		<u>1,745,406</u>	<u>1,637,798</u>
Equity			
Issued capital	13	679,441	679,441
Reserves	15	1,225,455	1,117,847
Retained earnings / (accumulated losses)	14	(159,490)	(159,490)
Total Equity		<u>1,745,406</u>	<u>1,637,798</u>

The accompanying notes form part of these financial statements

Buninyong & District Financial Services Limited
ABN 63 137 673 388
Statement of Changes in Equity
For the year ended 30 June 2025

	Issued Capital \$	Dividend Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023	679,441	918,899	(159,490)	1,438,850
Total comprehensive income for the year	-	268,132	-	268,132
Dividends paid or provided	-	(69,184)	-	(69,184)
Balance at 30 June 2024	679,441	1,117,847	(159,490)	1,637,798
Balance at 1 July 2024	679,441	1,117,847	(159,490)	1,637,798
Total comprehensive income for the year	-	176,792	-	176,792
Dividends paid or provided	-	(69,184)	-	(69,184)
Balance at 30 June 2025	679,441	1,225,455	(159,490)	1,745,406

The accompanying notes form part of these financial statements

Financial statements (continued)

Buninyong & District Financial Services Limited
ABN 63 137 673 388
Statement of Cash Flows
For the year ended 30 June 2025

		2025	2024
	<u>Notes</u>		
Cash Flows From Operating Activities			
Receipts from clients		2,045,229	2,125,112
Payments to suppliers and employees		(1,786,194)	(1,723,719)
Interest received		38,872	42,855
Interest paid		(322)	-
Income tax (paid) / refunded		(147,784)	(180,910)
Net cash flows from/(used in) operating activities	16b	<u>149,801</u>	<u>263,339</u>
Cash Flows From Investing Activities			
Payments for intangible assets		-	-
Purchase of property, plant & equipment		(635,618)	-
Sales of Property, Plant & Equipment		-	-
Net cash flows from/(used in) investing activities		<u>(635,618)</u>	<u>-</u>
Cash Flows From Financing Activities			
Receipts from Borrowings		300,000	-
Repayment of Borrowings		(299,000)	-
Dividends Paid		(69,184)	(69,184)
Net cash flows from/(used in) financing activities		<u>(68,184)</u>	<u>(69,184)</u>
Net increase/(decrease) in cash held		(554,001)	194,155
Cash and cash equivalents at start of year		1,069,813	875,658
Cash and cash equivalents at end of year	16a	<u><u>515,812</u></u>	<u><u>1,069,813</u></u>

The accompanying notes form part of these financial statements

Notes to the financial statements

These financial statements and notes represent those of Buninyong & District Financial Services Limited.

Buninyong & District Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on the 5/11 2025.

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branch at Buninyong.

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

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch 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 in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank®** branch;
- Training for the Branch Managers 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; and
- Sale techniques and proper customer relations.

(b) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(c) Fair value of assets and liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(d) Property, plant and equipment

Land & Buildings

Freehold land and buildings are carried at their fair value (refer note 1 (c)), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of land and buildings is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Plant & Equipment

The depreciable amount of all fixed assets, excluding freehold land and buildings, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<i>Class of Asset</i>	<i>Rate</i>	<i>Method</i>
Buildings	2.5%	SL
Leasehold Improvements	6.7%	SL
Plant & equipment	10-33%	SL

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset - but not the legal ownership - are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Buninyong & District Financial Services Limited has leases for the main retail premises. This lease is reflected in the Balance Sheet as a right-of-use asset and a lease liability.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(f) Impairment of assets

At each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the relevant Standard.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligation for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Intangible assets and franchise fees

Franchise renewal costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(k) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

Interest and fee revenue is recognised when earned.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

(m) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) New and amended accounting policies adopted by the company

There are no new and amended accounting policies that have been adopted by the company this financial year.

(q) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(s) New accounting standards for application in future periods

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

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 intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

2. Revenue and other income

	2025 \$	2024 \$
Revenue		
- services commissions	1,851,486	1,905,297
	<u>1,851,486</u>	<u>1,905,297</u>
Other revenue		
- interest received	30,955	44,879
- other revenue	-	-
	<u>30,955</u>	<u>44,879</u>
Total Revenue	<u>1,882,441</u>	<u>1,950,176</u>

3. Expenses

	2025 \$	2024 \$
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	718,053	678,012
- superannuation costs	92,053	80,147
- other costs	8,161	46,323
	<u>818,267</u>	<u>804,482</u>
Depreciation & amortisation		
Depreciation of Property, plant and equipment		
- building improvements	11,915	11,915
- leasehold improvements	1,517	1,517
- plant and equipment	22,436	22,864
Depreciation of right-of-use assets:		
- Right-of-use (Business Premises)	40,455	38,766
Amortisation of non-current assets:		
- franchise fees	14,438	14,477
	<u>90,761</u>	<u>89,540</u>

Notes to the financial statements (continued)

3. Expenses (continued)

	2025 \$	2024 \$
Administration & General Costs:		
- Accounting Fees	12,900	12,603
- Audit Fees	5,925	5,100
- Advertising & Marketing	83,639	53,206
- Bookkeeping Fees	5,943	3,025
- Cash Delivery	710	505
- Freight/Carriage/Delivery	4,191	4,215
- Insurance	16,921	15,153
- Printing / Stationery	5,153	4,922
- Telephone	1,812	2,622
- Other	191,057	149,476
	<u>328,251</u>	<u>250,825</u>
Bad and doubtful debts expense:		
- Bad Debts Written Off	779	14,965
	<u>779</u>	<u>14,965</u>
Finance Costs		
- Interest Expense - Right of use lease liability	708	897
- Interest Expense	322	
- Borrowing Costs Amortised	96	
	<u>1,126</u>	<u>897</u>
Information Technology Costs:		
- IT Equipment Lease	10,330	9,491
- IT Running Costs	4,703	7,796
- IT Support Costs	28,844	18,582
	<u>43,877</u>	<u>35,868</u>
Occupancy Costs - Banking:		
- Cleaning	20,925	16,485
- Electricity / Gas	3,540	4,466
- Insurance - Property	2,456	
- R&M - Buildings	560	3,693
- R&M - Furniture & Fittings	1,053	-
- R&M - Office Machines	227	
- Rates	9,484	13,726
- Land Tax	1,950	
- Security Monitoring	1,316	4,848
	<u>41,511</u>	<u>43,218</u>
Occupancy Costs - Community House		
- R&M - Buildings	1,264	1,218
- Rates	961	364
	<u>2,225</u>	<u>1,582</u>
ATM:		
- Cash Delivery	4,920	4,738
- Leasing	745	1,117
- Maintenance	1,404	1,176
- Switching Fees	402	377
- Discrepancies	(188)	(681)
	<u>7,283</u>	<u>6,726</u>
Charitable Donations & Sponsorships:		
- Spirit West Foundation	18,000	18,000
- Federation University	10,455	10,000
- Friends of Canadian	2,000	6,192
- City of Ballarat - Buninyong Street Scape Project	-	8,545
- Buninyong Bowling Club	5,000	5,000
- Other sponsorships & donations	278,512	297,393
	<u>313,967</u>	<u>345,130</u>
Auditors' remuneration		
Remuneration of the auditor for:		
- Audit or review of the financial report	5,925	5,100
- Taxation services	-	-
- Share registry services	-	-
	<u>5,925</u>	<u>5,100</u>

Notes to the financial statements (continued)

4. Tax Expense

a. The components of tax expense/(income) comprise

	2025 \$	2024 \$
- Current tax expense/(income)	66,958	98,617
- Deferred tax expense/(income) relating to the original and reversal of temporary differences.	(9,355)	9,782
	<u>57,603</u>	<u>108,399</u>

b. Prima facie tax payable

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 25%	58,600	89,236
Add tax effect of:		
- Non-deductible expenses	(997)	(426)

Current income tax expense

<u>57,603</u>	<u>88,810</u>
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Income tax attributable to the entity

<u>57,603</u>	<u>88,810</u>
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The applicable weighted average effective tax rate is

24.58%	24.88%
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c. Current tax liability

Current tax relates to the following:

Current tax liabilities / (assets)

Opening balance	74,285	156,577
Income tax paid	(147,784)	(180,910)
Current tax	66,958	98,617
Under / (over) provision prior years	-	-
	<u>(6,541)</u>	<u>74,285</u>

d. Deferred tax asset / (liability)

Deferred tax relates to the following:

Deferred tax assets balance comprises:

Accrued Audit Fee	6,551	1,000
Employee provisions	33,698	35,717
Super contributions unpaid at 30.06.25	864	2,579
	<u>41,113</u>	<u>39,296</u>

Deferred tax liabilities balance comprises:

Accrued income	1,176	3,156
Property, plant & Equipment	9,324	14,884
	<u>10,500</u>	<u>18,040</u>

Net deferred tax asset / (liability)

<u>30,613</u>	<u>21,256</u>
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e. Deferred income tax (revenue)/expense included in income tax expense comprises:

Decrease / (increase) in deferred tax assets	(1,817)	(5,762)
(Decrease) / increase in deferred tax liabilities	(7,540)	(4,045)
	<u>(9,357)</u>	<u>(9,807)</u>

5. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	92,163	103,678
Sandhurst Select Mortgage Fund	423,649	966,135
	<u>515,812</u>	<u>1,069,813</u>

The effective interest rate on the Sandhurst Select Mortgage Fund was 4.17%; this investment has an average maturity of 90 Days

6. Trade and other receivables

Current

Trade debtors	160,956	169,247
Interest receivable	4,705	12,622
Other Debtors	2,365	-
	<u>168,026</u>	<u>181,869</u>

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

Notes to the financial statements (continued)

6. Trade and other receivables (continued)

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross Amount	Past Due and impaired	< 30 days	31-60 days	Past Due but Not Impaired		> 60 days	Not Past Due
					> 60 days	> 60 days	> 60 days	
2025								
Trade receivables	160,956	-	-	-	-	-	-	160,956
Interest receivable	4,705	-	-	-	-	-	-	4,705
Other Debtors	2,365	-	-	-	-	-	-	2,365
Total	168,026	-	-	-	-	-	-	165,661
2024								
Trade receivables	169,247	-	-	-	-	-	-	169,247
Interest receivable	12,622	-	-	-	-	-	-	12,622
Total	181,869	-	-	-	-	-	-	181,869

7. Property, plant and equipment

	2025 \$	2024 \$
<i>Land and Buildings</i>		
At cost	1,453,723	818,105
Less accumulated depreciation	(57,192)	(45,277)
Less Impairment	(150,258)	(150,258)
Total written down amount	<u>1,246,273</u>	<u>622,571</u>

<i>Leasehold improvements</i>		
At cost	22,743	22,743
Less accumulated depreciation	(22,605)	(21,087)
Total written down amount	<u>138</u>	<u>1,655</u>

<i>Plant and equipment</i>		
At cost	236,538	236,103
Less accumulated depreciation	(182,887)	(160,451)
Total written down amount	<u>53,651</u>	<u>75,652</u>

Total property, plant and equipment	<u><u>1,300,062</u></u>	<u><u>699,878</u></u>
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Movements in carrying amounts

<i>Land and Buildings</i>		
Balance at the beginning of the reporting period	622,571	634,486
Additions	635,618	-
Disposals	-	-
Depreciation expense	(11,915)	(11,915)
Balance at the end of the reporting period	<u>1,246,274</u>	<u>622,571</u>

<i>Leasehold improvements</i>		
Balance at the beginning of the reporting period	1,656	3,172
Additions	-	-
Disposals	-	-
Depreciation expense	(1,516)	(1,516)
Balance at the end of the reporting period	<u>140</u>	<u>1,656</u>

<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	75,651	98,517
Additions	435	-
Disposals	-	-
Depreciation expense	(22,436)	(22,866)
Balance at the end of the reporting period	<u>53,650</u>	<u>75,651</u>
	<u>1,300,063</u>	<u>699,878</u>

8. Intangible assets

	2025 \$	2024 \$
<i>Franchise Fee</i>		
At cost	72,189	72,189
Less accumulated amortisation	(70,726)	(56,288)
Borrowing costs	1,052	-
	<u>2,515</u>	<u>15,901</u>

Movements in carrying amounts

<i>Intangible assets</i>		
Balance at the beginning of the reporting period	15,901	30,379
Additions	-	-
Disposals	-	-
Amortisation expense	(14,438)	(14,478)
Balance at the end of the reporting period	<u>1,463</u>	<u>15,901</u>

Notes to the financial statements (continued)

9. Trade and other payables

	2025 \$	2024 \$
Current		
Unsecured liabilities:		
Trade creditors	28,559	32,149
Other creditors and accruals	109,295	92,605
	<u>137,854</u>	<u>124,754</u>
Non-Current		
Unsecured liabilities:		
Other creditors and accruals	-	-
	<u>-</u>	<u>-</u>

10. Borrowings

	2025 \$	2024 \$
Current		
Secured liabilities		
Bank loan	-	-
	<u>-</u>	<u>-</u>
Non-current		
Secured liabilities		
Bank loan	1,322	-
	<u>1,322</u>	<u>-</u>

The company has a bank loan which is subject to normal terms and conditions. The interest rate as at 30 June 2025 was 6.5%. This loan was been created to fund the purchase of a 407 Warrenheip Street and is fully secured by the building.

11. Leases

	2025 \$	2024 \$
Right-of-use assets		
Non-current		
Right-of-use asset (Business Premises)	202,389	202,407
Accumulated depreciation on Right-of-use asset (Business Premises)	(191,526)	(151,085)
	<u>10,863</u>	<u>51,322</u>
Lease liabilities		
Current		
Lease Liability (Business Premises)	15,160	45,168
	<u>15,160</u>	<u>45,168</u>
Non-current		
Lease Liability (Business Premises)	-	15,166
	<u>-</u>	<u>15,166</u>

The lease for the business premises is set to expire on 7 October 2025. The Company does not intend to exercise its option to renew the lease for a further five-year term, as it has acquired ownership of the property located at 407 Warrenheip Street, Buninyong, which will serve as its new business premises.

12. Provisions

	2025 \$	2024 \$
Employee benefits	<u>134,692</u>	<u>142,869</u>
Movement in employee benefits		
Opening balance	142,869	127,927
Additional provisions recognised	(8,177)	14,942
Amounts utilised during the year	-	-
Closing balance	<u>134,692</u>	<u>142,869</u>
Current		
Annual Leave	58,789	66,864
Long Service Leave	67,829	68,790
	<u>126,618</u>	<u>135,654</u>
Non-Current		
Annual Leave	-	-
Long Service Leave	8,074	7,215
	<u>8,074</u>	<u>7,215</u>
Total Provisions	<u>134,692</u>	<u>142,869</u>

Notes to the financial statements (continued)

13. Share capital

691,670 Ordinary Shares fully paid of \$1 each
168 Ordinary Shares raised at zero value
Less: Equity raising costs

2025	2024
\$	\$
691,670	691,670
-	-
(12,229)	(12,229)
<u>679,441</u>	<u>679,441</u>

Movements in share capital

Fully paid ordinary shares:

At the beginning of the reporting period

Shares issued during the year

At the end of the reporting period

691,670	691,670
<u>691,670</u>	<u>691,670</u>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Capital management

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

- (i) the Distribution Limit is the greater of:
 - (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
- (ii) 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 year ended 30 June 2025 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

14. Retained earnings / (accumulated losses)

a. Retained earnings / (accumulated losses)

Balance at the beginning of the reporting period
Profit/(loss) after income tax
Amounts transferred to reserves
Balance at the end of the reporting period

2025	2024
\$	\$
(159,490)	(159,490)
176,792	268,132
(176,792)	(268,132)
<u>(159,490)</u>	<u>(159,490)</u>

15. Reserves

a. Dividend profits reserve

Balance at the beginning of the reporting period
Dividends provided for or paid
Amounts transferred to current year profits
Balance at the end of the reporting period

2025	2024
\$	\$
1,117,847	918,898
(69,184)	(69,184)
176,792	268,132
<u>1,225,456</u>	<u>1,117,847</u>

During the year, the Board of Directors resolved that the current year profits were not to be offset against accumulated losses, but were to be appropriated to a Dividend profit reserve. This reserve may be made available in subsequent years for further payments of dividends to shareholders.

Notes to the financial statements (continued)

16. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

	2025 \$	2024 \$
As per the statement of financial position	515,812	1,069,813
As per the statement of cash flow	<u>515,812</u>	<u>1,069,813</u>

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

Profit / (loss) after income tax	176,792	268,132
Non cash items		
- Depreciation	76,323	75,062
- Amortisation	14,438	14,478
Changes in assets and liabilities		
- (Increase) decrease in receivables	13,843	13,822
- (Increase) decrease in deferred tax asset	(9,357)	(9,807)
- (Increase) decrease in income tax provision	(80,826)	(82,293)
- (Increase) decrease in Lease Liability & Right of use recognition	(45,174)	(41,981)
- Increase (decrease) in payables	11,940	10,985
- Increase (decrease) in provisions	(8,177)	14,941
Net cash flows from/(used in) operating activities	<u>149,803</u>	<u>263,340</u>

17. Earnings per share

	2024 \$	2024 \$
Basic earnings per share (cents)	25.55	38.76
Earnings used in calculating basic and diluted earnings per share	<u>176,792</u>	<u>268,132</u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>691,838</u>	<u>691,838</u>

18. Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

No key management personnel or related parties have entered into any contracts with the company during, or since the end of, the financial year and up to the date of this report. Joshua Daniel Wolff received \$6,000 in payments for Company Secretary duties under his contract.

Buninyong & District Financial Services Limited has not accepted the Bendigo and Adelaide Bank Limited's Community Bank® Directors Privileges package.

(d) Key management personnel shareholdings

The number of ordinary shares in Buninyong & District Community Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2025	2024
RICHARD MCDOWELL	16,500	16,500
RON DELALAND	28,201	28,201
IAN CORCORAN	5,000	5,000
ANDREA MASON	-	-
JO INNES	-	-
DEBBIE RYBICKI	-	-
OARABILE OMARU MARUATONA	-	-
GRAEME BENN	-	-
BRETT JONES	-	-

Each share held has a paid up value of \$1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Notes to the financial statements (continued)

19. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

20. Contingent liabilities and contingent assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements.

21. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being *Buninyong, Victoria*. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2024: 100%).

22. Commitments

Operating lease commitments

Non-cancellable operating leases contracted capitalised in the Statement of Financial Position starting 01 Jul 2021 as per AASB 16.

	2025 \$	2024 \$
Payable:		
- no later than 12 months	15,160	45,168
- between 12 months and five years	-	-
- greater than five years	-	-

Minimum lease payments

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance and with CPI increases each year.

23. Company details

The registered office is:

18 Doveton Street North
Ballarat, Victoria 3350

The principal place of business is:

401B Warrenheip Street
Buninyong, Victoria 3357

24. Dividends paid or provided for on ordinary shares

Dividend paid:

Final ordinary dividend of 10 cents per share (2024: 10 cents)

2025 \$	2024 \$
69,184	69,184

Dividend proposed and not yet recognised as a liability:

Final ordinary dividend of 10 cents per share (2024: 10 cents)

69,184	69,184
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Notes to the financial statements (continued)

25. Financial risk management

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies are as follows:

	Note	2025 \$	2024 \$
Financial assets			
Cash and cash equivalents	5	515,812	1,069,813
Trade and other receivables	6	168,026	181,869
Total financial assets		<u>683,838</u>	<u>1,251,682</u>
Financial liabilities			
Trade and other payables	9	137,854	124,754
Bank Loan	10	1,322	-
Total financial liabilities		<u>139,176</u>	<u>124,754</u>

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Notes to the financial statements (continued)

25. Financial risk management (continued)

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

		Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2025	Note					
Financial assets						
Cash & cash equivalents	5	4.17%	515,812	515,812	-	-
Trade and other receivables	6	0.00%	168,026	168,026	-	-
Total anticipated inflows			<u>683,838</u>	<u>683,838</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Trade and other payables	9	0.00%	137,854	137,854	-	-
Loans and borrowings	10	6.50%	1,322	-	-	1,322
Total expected outflows			<u>139,176</u>	<u>137,854</u>	<u>-</u>	<u>1,322</u>
Net (outflow)inflow on financial instruments			<u>544,662</u>	<u>545,984</u>	<u>-</u>	<u>(1,322)</u>
30 June 2024	Note					
Financial assets						
Cash & cash equivalents	5	4.06%	1,069,813	1,069,813	-	-
Trade and other receivables	6	0.00%	181,869	181,869	-	-
Total anticipated inflows			<u>1,251,682</u>	<u>1,251,682</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Trade and other payables	9	0.00%	124,754	124,754	-	-
Loans and borrowings	10		-	-	-	-
Total expected outflows			<u>124,754</u>	<u>124,754</u>	<u>-</u>	<u>-</u>
Net (outflow)inflow on financial instruments			<u>1,126,928</u>	<u>1,126,928</u>	<u>-</u>	<u>-</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

Notes to the financial statements (continued)

25. Financial risk management (continued)

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2025	5,158	3,869
+/- 1% in interest rates (interest income)	<u>5,158</u>	<u>3,869</u>
Year ended 30 June 2024	10,698	8,024
+/- 1% in interest rates (interest income)	<u>10,698</u>	<u>8,024</u>

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

	Note	2025 Carrying amount	Fair value	2024 Carrying amount	Fair value
Financial assets					
Cash and cash equivalents (i)		515,812	515,812	1,069,813	1,069,813
Trade and other receivables (i)		168,026	168,026	181,869	181,869
Investments		-	-	-	-
Total financial assets		<u>683,838</u>	<u>683,838</u>	<u>1,251,682</u>	<u>1,251,682</u>
Financial liabilities					
Trade and other payables (i)		137,854	137,854	124,754	124,754
Loans and borrowings		1,322	1,322	-	-
Total financial liabilities		<u>139,176</u>	<u>139,176</u>	<u>124,754</u>	<u>124,754</u>

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Directors' declaration

In accordance with a resolution of the Directors of Buninyong & District Financial Services Limited, the Directors of the company declare that:

- 1 the financial statements and notes of the company as set out on pages 10 to 28 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2025 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This resolution is made in accordance with a resolution of the Board of Directors.



Brett Jones
Chairman

Signed at Buninyong on 5/11/2025

Independent audit report

MOR Accountants



Chartered Accountants

Ballarat

Cnr Dana & Dawson Streets
Ballarat Vic 3350
Telephone: (03) 5333 3202
Facsimile: (03) 5333 3381

Melbourne

By Appointment

Postal

406 Dana Street, Ballarat Vic 3350
Email: info@mor.net.au

www.mor.net.au

INDEPENDENT AUDITOR'S REPORT

To the directors of Buninyong & District Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Buninyong & District Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2025, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of Buninyong & District Financial Services Limited is in accordance with the *Corporations Act 2001*, including

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

Basis for our 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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 opinion.

Directors' Responsibility 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 Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors | D.J. Molloy CA | P.R. Hansen CA | J.A. Edgar CA | P.A. White CA
D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA | K.R. Goodson CA



MOR Accountants



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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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.

D. G. Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Dated: 5/11/2025

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors D.J. Molloy CA P.R. Hansen CA J.A. Edgar CA P.A. White CA
D.G. Abbott CA S.R. Cartledge CA S.R. Corbett CA K.R. Goodson CA



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