

# Annual Report 2025

Carrum Downs Financial  
Services Limited

Community Bank  
Carrum Downs and Marriott Waters

ABN 89 088 990 470



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# Chairman's report

For year ending 30 June 2025

It is with pleasure that I present my Chair's report for Carrum Downs Financial Services Limited, the franchise owner of Community Bank Carrum Downs and Community Bank Marriott Waters.

## Time to reflect

Twenty-six years ago, a group of committed locals, businesspeople and community leaders came together to return banking to Carrum Downs, and later to introduce banking to the Marriott Waters community. From these beginnings, we have grown into one of the most successful Community Bank companies in the Bendigo network.

This past year has again demonstrated the real impact of community banking. By choosing to bank with us, our customers and shareholders continue to make a tangible difference to the prosperity of our local community.

## Our year

FY25 has been a record-breaking year for growth. Across our two branches, we settled more home loans than ever before and achieved total footings growth of **\$33.64 million**, the highest in our 26-year history. At 30 June 2025, our total business stood at **\$391.4 million**, comprising:

- Carrum Downs: \$254.78 million
- Marriott Waters: \$136.69 million

Across both branches we met or exceeded all key targets, achieving an overall *leading performance* rating.

From a financial perspective:

Total revenue	\$2.91 million (2024: \$2.93 million)
Profit before community contributions and tax	\$885,951 (2024: \$772,464)
Community contributions	\$334,388 (2024: \$313,684)
Net profit after tax	\$413,160 (2024: \$344,347)
Earnings per share	119.58c (2024: 99.66c)
Dividend paid during FY25	25c per share (2024: 28c per share)
Total assets	\$4.26 million (2024: \$4.22 million)
Net assets	\$2.29 million (2024: \$1.96 million)
Retained earnings	\$2.28 million (2024: \$1.96 million)

We also made important commitments for our future operations. In 2025, we successfully renewed the Carrum Downs branch lease until December 2029, ensuring continuity for our customers and community. In addition, we renewed our franchise agreement with Bendigo and Adelaide Bank until October 2029, which secures our long-term partnership and provides a strong platform for future growth.

# Chairman's report (continued)

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## Community contributions

Giving back to our community remains at the heart of what we do. During FY25, we supported 35 local organisations, including SmackTalk, Dandenong Thunder Football Club, Frankston Social Enterprise & Innovation Hub, Frankston Raiders Rugby Club, and Rotary Club of Cranbourne.

Since our inception, we have invested more than **\$5 million** back into our local community. This is an extraordinary milestone that highlights the power of our Community Bank model.

A particular point of pride is our continued investment in safe housing. In 2022, in conjunction with the Payton Foundation, we funded a property to support young women and families escaping domestic violence. Demand for this support remains strong, and I am pleased to announce that in FY26 we will increase our funding to expand this project to include two properties, each of which will provide a safe home for a family in need. This is a lasting and practical contribution that directly changes lives in our community.

## What lies ahead

Looking forward, we will continue to focus on growing local lending, providing outstanding customer service, and expanding our community support. We anticipate continued economic challenges as interest rates and cost-of-living pressures continue to impact households, but we remain confident in the resilience of our business model and our ability to balance strong financial outcomes with meaningful community investment.

## Our great team

The successes of the past year are only possible thanks to the commitment and passion of our staff, led by our Senior Manager, Len Barda, and our Marriott Waters Manager, Christopher Wood. They are supported by a dedicated branch team including Belinda Wood, Carolynne Johnson, Ros Geurts, Silvana Home, Ben McDonald, Laura Patterson, Rosina Morris, Vidhi Joshi, Harpreet Kaur, Ben Crawford, and Vanessa Draga. I extend my gratitude to each of them for their professionalism and customer care.

I would also like to thank my fellow Directors, Deputy Chair Christine Swanson, Treasurer Jason Pater, Ken Smith AM, Gary Landy, Gary Rowe, and our Company Secretary Emily Wiltshire for their dedication and governance oversight throughout the year.

We also acknowledge our strong partnership with Bendigo and Adelaide Bank, whose support underpins our ability to deliver financial services and reinvest in our community.

Finally, to our shareholders, thank you for your continued trust and support. Together we have delivered 26 years of service, investment and community prosperity – a legacy we can all be proud of.

In closing, how wonderful it is that we continue to grow, prosper, and make a real difference in our community.



**Lindsay (Malcolm) Wells**  
**Chair**  
**Carrum Downs Financial Services Limited**

# Senior Manager's report

For year ending 30 June 2025

It is with great pleasure that I present my report for the 2025 Financial Year for Community Bank Carrum Downs and Marriott Waters. This year marked a significant milestone in our history, 25 years of serving our local community.

As we celebrated our 25th Anniversary on 9 October 2024, I reflected not only on our purpose of "feeding into the prosperity of our community not off it", but also on the growth and impact we have achieved together with customers, shareholders and community partners. It has been a journey shaped by trust, resilience and a shared vision for building a stronger community.

There have been many highlights and record breaking achievements for our business in the past year which reflect both the confidence our customers place in us and the tireless efforts of our dedicated team. I just cannot thank each and every one of our team members enough for their continued commitment to our customers, community and each other.

Our achievements were also recognised in October 2024 when Community Bank Carrum Downs received the Branch of The Year award for the Mornington Peninsula Region, something I am incredibly proud of.

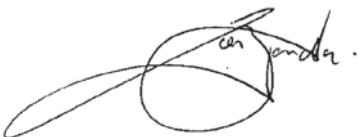
Both our branches settled more Home Loans than we ever have in the past and achieved total business growth of \$33.64 million, the highest in our 25 years of operation. These achievements not only contribute to the ongoing financial sustainability of our Community Bank but also supports countless families and businesses in our local area in achieving their financial goals.

We invested a further \$334,000 back into the community supporting local projects, clubs and organisations, to help make a real difference to the lives of those around us. As always, these community investments are made possible by our customer's choosing to Bank with us, a powerful reminder that when you bank locally, you are helping to build a stronger community.

We continued to invest in our people, improve our services and strengthen our community connections. Our team has embraced innovation while maintaining the personal touch that defines the Community Bank model. Our focus on providing excellent customer service, local decision making and tailored financial solutions to meet the needs of our customers remains at the heart of everything we do.

As we look into the future, we remain committed to sustainable growth, responsible Banking, embracing change and continuing to be a trusted partner for our valued customers. I extend my sincere gratitude to our dedicated Board of Directors, shareholders and the Bendigo Bank Regional team for their continued support.

With strong foundations, a passionate team and the ongoing support of our customers and community, we remain confident that the next 25 years will be even more rewarding.



**Len Barda**  
**Senior Branch Manager**

# Directors' report

For the financial year ended 30 June 2025

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

## Directors

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

### Mr Lindsay (Malcolm) Wells

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Title:	Non-executive director
Qualifications:	CPA, B.Bus (Acc), Dip FinServ (Fin Plan)
Experience and expertise:	A founding Director of CDFS, Malcolm is a Certified Practicing Accountant and Manager at R J Sanderson & Associates in Cranbourne. He has extensive experience in all areas of public accounting, with expertise in taxation advice and planning, business structuring and development, self-managed super and general management advice. Malcolm is the Chair of CSV Ltd (Casey, Clyde and Balcombe Grammar schools) and a past President of the Rotary Club of Cranbourne and is Founding Chairman of Who Cares? We Do, a charity which provides free services to the homeless and disadvantaged in Cranbourne.
Special responsibilities:	Chair, Member of Audit and Finance Committee

### Mrs Christine Swanson

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Title:	Non-executive director
Experience and expertise:	Christine is a founding Director of CDFS and was on the steering committee at inception. She has been an active member of the various board committees including: Sponsorship, Marketing, HR, New Sites Development and Extra Time. Christine is Chair of the board's community engagement/sponsorship committee. Christine also assists with community and charity organisations, including volunteer work for some Neighbourhood Centres, helping and distributing food to the needy, and also various Pet Rescue Centres. Christine has a background in Residential Building and Shopping Centre Management and Development.
Special responsibilities:	Deputy Chair, Chair of Community Engagement Committee

### Mr Gary Landy

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Title:	Non-executive director
Qualifications:	Master of Public Policy and Admin., Grad. Dip. Public Admin., Cert. of Business
Experience and expertise:	Gary brings business, leadership and community skills and experience to the Board. He had an extensive career in the Victoria Police for many years and has been awarded the Victoria Police Service Medal, a National Media, and Vietnam Service Awards. Gary has also worked for Frankston City Council, the Department of Justice, is a small business owner and was chair of the Sandhurst Residents Committee. He is a member of the Community Engagement committee and lives in the local Sandhurst community.
Special responsibilities:	Member of Community Engagement Committee

## Directors' report (continued)

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### Directors (continued)

#### Hon Ken Smith AM

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Title: Non-executive director

Experience and expertise: Ken brings a range of leadership and business skills to the board, as well as community relationships. Ken was formerly a member of the Victorian Parliament's Legislative Assembly, and the Speaker of the House. He has been a councillor for Hastings Council and was Founding Director and Chairman of the Independent News Group. He is a former President of the Australia China Business Council (Vic), and a member of the Sandhurst community. Ken is a member of the Community Engagement committee. Ken became a Member of the Order of Australia on Australia Day 2018.

Special responsibilities: Member of Community Engagement Committee

#### Mr Jason Pater

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Title: Non-executive director

Qualifications: FCA, B.Comm, Dip FinServ (Fin Plan)

Experience and expertise: Jason was one of the founding Directors of CDFS in 1999. He is a Chartered Accountant (Fellow) having starting his career with Pricewaterhouse Coopers. Jason has been working with small businesses and not-for-profits for over 30 years. Jason is the CEO of the Payton Foundation and is actively involved in the Board's Audit and Finance Committee.

Treasurer and Chair of Audit and Finance Committee

#### Mr Gary Rowe

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Title: Non-executive director (Appointed 2 July 2024)

Experience and expertise: Gary was instrumental in getting the community bank off the ground in 1998 and was the founding Chairman of the company. He stepped down from the board in October 2013 to take up a position as a Business Development Manager based predominantly at the Marriott Waters branch and has returned to the board in July 2024 after having retired from his full-time role in the branch. Gary is a current councillor of the City of Casey and was previously a Member for Cranbourne in the Parliament of Victoria and prior to that a member of the Victorian Police.

No directors have material interest in contracts or proposed contracts with the company.

### Company secretary

The company secretary is Ms Emily Wiltshire. Emily was appointed to the position of company secretary on 31 August 2020.

Experience and expertise: Emily was appointed to the role of Company Secretary at CDFS in August 2020. She has 17 years of company secretarial and governance experience, largely in private practice where she has assisted a range of private and public companies to manage their compliance obligations. In addition to her role at CDFS, Emily also serves as Company Secretary for the Australian Physiotherapy Council Ltd. She holds a Bachelor of Arts, a Bachelor of Science, and a Graduate Diploma in Applied Corporate Governance.

### 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.

# Directors' report (continued)

## Review of operations

The profit for the company after providing for income tax amounted to \$413,160 (2024: \$344,347)

Operations have continued to perform in line with expectations.

## Dividends

During the financial year, the following dividends were provided for and paid. The dividends have been provided for in the financial statements.

	2025 \$	2024 \$
Fully franked dividend of 25 cents per share (2024: 28 cents)	86,378	96,743

## Significant changes in the state of affairs

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

## Matters subsequent to the end of the financial year

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 and expected results of operations

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

## Environmental regulation

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

## Meetings of directors

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

	Board		Committee Meeting	
	Eligible	Attended	Eligible	Attended
Mr Lindsay (Malcolm) Wells	11	11	2	2
Mrs Christine Swanson	11	11	8	8
Mr Gary Landy	11	10	8	7
Hon Ken Smith AM	11	9	8	7
Mr Jason Pater	11	11	2	2
Mr Gary Rowe	11	7	8	5

## 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 notes 23 and 24 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
Mr Lindsay (Malcolm) Wells	23,251	-	23,251
Mrs Christine Swanson	3,002	-	3,002
Mr Gary Landy	-	-	-
Hon Ken Smith AM	-	-	-
Mr Jason Pater	3,701	-	3,701
Mr Gary Rowe	1	-	1

## 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.

## Directors' report (continued)

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### 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 for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

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

### Auditor's independence declaration

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

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

On behalf of the directors



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Lindsay (Malcolm) Wells  
Chair

29 September 2025

# Auditor's independence declaration



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

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

As lead auditor for the audit of Carrum Downs 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: 29 September 2025

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

**Jessica Ritchie**  
Lead Auditor

# Financial statements

## Statement of profit or loss and other comprehensive income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	7	2,821,973	2,844,885
Finance revenue		83,741	88,601
<b>Total revenue</b>		<b>2,905,714</b>	<b>2,933,486</b>
Employee benefits expense	8	(1,403,387)	(1,364,373)
Advertising and marketing costs		(9,637)	(19,937)
Occupancy and associated costs		(53,972)	(48,038)
System costs		(90,387)	(95,797)
Depreciation and amortisation expense	8	(249,157)	(249,816)
Loss on disposal of assets		-	(103,921)
Finance costs	8	(94,269)	(66,484)
General administration expenses		(118,954)	(212,656)
<b>Total expenses before community contributions and income tax</b>		<b>(2,019,763)</b>	<b>(2,161,022)</b>
<b>Profit before community contributions and income tax</b>		<b>885,951</b>	<b>772,464</b>
Charitable donations and sponsorships expense		(334,388)	(313,684)
<b>Profit before income tax expense</b>		<b>551,563</b>	<b>458,780</b>
Income tax expense	9	(138,403)	(114,433)
<b>Profit after income tax expense for the year</b>		<b>413,160</b>	<b>344,347</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>413,160</b>	<b>344,347</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	27	119.58	99.66
Diluted earnings per share	27	119.58	99.66

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

## Financial statements (continued)

### Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	261,062	198,275
Trade and other receivables	11	269,483	291,159
Investments	12	2,000,000	2,000,000
<b>Total current assets</b>		<b>2,530,545</b>	<b>2,489,434</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	289,669	327,968
Right-of-use assets	14	1,245,754	1,311,704
Intangible assets	15	120,904	7,160
Deferred tax assets	9	72,535	84,617
<b>Total non-current assets</b>		<b>1,728,862</b>	<b>1,731,449</b>
<b>Total assets</b>		<b>4,259,407</b>	<b>4,220,883</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	187,696	389,085
Lease liabilities	17	231,967	212,210
Current tax liabilities	9	53,402	89,505
Employee benefits	18	219,963	284,527
<b>Total current liabilities</b>		<b>693,028</b>	<b>975,327</b>
<b>Non-current liabilities</b>			
Trade and other payables	16	93,407	-
Lease liabilities	17	1,133,096	1,177,348
Employee benefits	18	21,958	2,437
Provisions		31,596	106,231
<b>Total non-current liabilities</b>		<b>1,280,057</b>	<b>1,286,016</b>
<b>Total liabilities</b>		<b>1,973,085</b>	<b>2,261,343</b>
<b>Net assets</b>		<b>2,286,322</b>	<b>1,959,540</b>
<b>Equity</b>			
Issued capital	19	3,215	3,215
Retained earnings		2,283,107	1,956,325
<b>Total equity</b>		<b>2,286,322</b>	<b>1,959,540</b>

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

## Financial statements (continued)

### Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings/ \$	Total equity \$
<b>Balance at 1 July 2023</b>		<b>3,215</b>	<b>1,708,721</b>	<b>1,711,936</b>
Profit after income tax expense		-	344,347	344,347
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>344,347</b>	<b>344,347</b>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(96,743)	(96,743)
<b>Balance at 30 June 2024</b>		<b>3,215</b>	<b>1,956,325</b>	<b>1,959,540</b>
<b>Balance at 1 July 2024</b>		<b>3,215</b>	<b>1,956,325</b>	<b>1,959,540</b>
Profit after income tax expense		-	413,160	413,160
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>413,160</b>	<b>413,160</b>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(86,378)	(86,378)
<b>Balance at 30 June 2025</b>		<b>3,215</b>	<b>2,283,107</b>	<b>2,286,322</b>

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

## Financial statements (continued)

### Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,106,101	3,153,547
Payments to suppliers and employees (inclusive of GST)		(2,620,342)	(2,067,528)
Interest received		87,908	78,368
Income taxes paid		(162,424)	(237,925)
<b>Net cash provided by operating activities</b>	<b>26</b>	<b>411,243</b>	<b>926,462</b>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		-	(300,000)
Payments for property, plant and equipment		(2,282)	(209,536)
Payments for intangible assets		(28,305)	(27,896)
<b>Net cash used in investing activities</b>		<b>(30,587)</b>	<b>(537,432)</b>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(92,152)	(64,436)
Dividends paid	21	(86,378)	(96,743)
Repayment of lease liabilities		(139,339)	(150,507)
<b>Net cash used in financing activities</b>		<b>(317,869)</b>	<b>(311,686)</b>
Net increase in cash and cash equivalents		62,787	77,344
Cash and cash equivalents at the beginning of the financial year		198,275	120,931
<b>Cash and cash equivalents at the end of the financial year</b>	<b>10</b>	<b>261,062</b>	<b>198,275</b>

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

# Notes to the financial statements

For the year ended 30 June 2025

## Note 1. Reporting entity

The financial statements cover Carrum Downs 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 3/100 Hall Road, Carrum Downs Regional Shopping Centre, Carrum Downs VIC 3201.

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 6 August 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Accounting standards issued but not yet effective**

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

### **Current and non-current classification**

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

### **Investments**

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

## Notes to the financial statements (continued)

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### Note 3. Material accounting policy information (continued)

#### Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. 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.

#### 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.

## Notes to the financial statements (continued)

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

#### *Impairment of non-financial assets*

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

#### *Recovery of deferred tax assets*

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

#### *Lease term*

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

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

### **Estimates and assumptions**

#### *Estimation of useful lives of assets*

The company assesses impairment of non-financial 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 as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

#### *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 eligible for entitlement in accordance with long service leave legislation.

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

## Notes to the financial statements (continued)

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### Note 5. Economic dependency

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in October 2029.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity 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.

### Note 6. Change to comparative figures

#### *Classification of term deposits*

During the year the directors reviewed the requirements of AASB 107 Statement of Cash Flows and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparative figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

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

- Cash and cash equivalents decreased and investments increased by \$2,000,000 at 30 June 2024 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	2,487,547	2,475,713
Fee income	186,515	188,858
Commission income	147,911	180,314
	<b>2,821,973</b>	<b>2,844,885</b>

#### 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.

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

#### Revenue calculation

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

#### Margin income

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

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

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

#### Commission income

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

#### Fee income

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

#### Core banking products

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

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *Ability to change financial return*

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

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

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

### Note 8. Expenses

#### **Employee benefits expense**

	2025 \$	2024 \$
Wages and salaries	1,204,692	1,053,227
Superannuation contributions	133,211	126,166
Expenses related to long service leave	3,663	25,606
Other expenses	61,821	159,374
	<b>1,403,387</b>	<b>1,364,373</b>

#### **Depreciation and amortisation expense**

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	24,322	31,180
Plant and equipment	16,259	9,086
	<b>40,581</b>	<b>40,266</b>
<i>Depreciation of right-of-use assets</i>		
<b>Leased land and buildings</b>	<b>180,794</b>	<b>183,413</b>
<i>Amortisation of intangible assets</i>		
Franchise fee	4,629	4,356
Franchise renewal fee	23,153	21,781
	<b>27,782</b>	<b>26,137</b>
	<b>249,157</b>	<b>249,816</b>

#### **Finance costs**

	2025 \$	2024 \$
Lease interest expense	92,152	64,437
Unwinding of make-good provision	2,117	2,047
	<b>94,269</b>	<b>66,484</b>

## Notes to the financial statements (continued)

### Note 9. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	126,321	118,413
Movement in deferred tax	12,082	(3,718)
Under/over adjustment	-	(262)
<b>Aggregate income tax expense</b>	<b>138,403</b>	<b>114,433</b>
<i>Prima facie income tax reconciliation</i>		
<b>Profit before income tax expense</b>	<b>551,563</b>	<b>458,780</b>
Tax at the statutory tax rate of 25%	137,891	114,695
Tax effect of:		
Non-deductible expenses	512	-
	<b>138,403</b>	<b>114,695</b>
Under/over adjustment	-	(262)
<b>Income tax expense</b>	<b>138,403</b>	<b>114,433</b>

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(26,272)	(33,596)
Employee benefits	60,480	71,741
Lease liabilities	349,165	347,390
Provision for lease make good	-	7,370
Provisions	-	19,188
Accrued expenses	600	450
Right-of-use assets	(311,438)	(327,926)
<b>Deferred tax asset</b>	<b>72,535</b>	<b>84,617</b>

	2025 \$	2024 \$
<b>Provision for income tax</b>	<b>53,402</b>	<b>89,505</b>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

## Notes to the financial statements (continued)

### Note 10. Cash and cash equivalents

	2025 \$	2024 \$
Cash on hand	259	309
Cash at bank	260,803	197,966
	<b>261,062</b>	<b>198,275</b>

### Note 11. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	218,341	235,343
Security Deposit	25,000	25,000
Accrued income	20,575	24,743
Prepayments	5,567	6,073
	<b>269,483</b>	<b>291,159</b>

### Note 12. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
<b>Term deposits</b>	<b>2,000,000</b>	<b>2,000,000</b>

### Note 13. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	243,224	243,224
Less: Accumulated depreciation	(85,521)	(61,199)
	<b>157,703</b>	<b>182,025</b>
Plant and equipment - at cost	173,102	170,820
Less: Accumulated depreciation	(41,136)	(24,877)
	<b>131,966</b>	<b>145,943</b>
	<b>289,669</b>	<b>327,968</b>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	236,842	25,777	262,619
Additions	69,110	140,426	209,536
Disposals	(92,747)	(11,174)	(103,921)
Depreciation	(31,180)	(9,086)	(40,266)
<b>Balance at 30 June 2024</b>	<b>182,025</b>	<b>145,943</b>	<b>327,968</b>

## Notes to the financial statements (continued)

### Note 13. Property, plant and equipment (continued)

	Leasehold improvements \$	Plant and equipment \$	Total \$
Additions	-	2,282	2,282
Depreciation	(24,322)	(16,259)	(40,581)
<b>Balance at 30 June 2025</b>	<b>157,703</b>	<b>131,966</b>	<b>289,669</b>

#### 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:

Leasehold improvements	10 years
Plant and equipment	10 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 14. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	2,261,262	2,146,418
Less: Accumulated depreciation	(1,015,508)	(834,714)
	<b>1,245,754</b>	<b>1,311,704</b>

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	990,277
Remeasurement adjustments	504,840
Depreciation expense	(183,413)
<b>Balance at 30 June 2024</b>	<b>1,311,704</b>
Remeasurement adjustments	114,844
Depreciation expense	(180,794)
<b>Balance at 30 June 2025</b>	<b>1,245,754</b>

#### 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 17 for more information on lease arrangements.

## Notes to the financial statements (continued)

### Note 15. Intangible assets

	2025 \$	2024 \$
Franchise fee	45,368	21,780
Less: Accumulated amortisation	(25,216)	(20,587)
	<b>20,152</b>	<b>1,193</b>
Franchise renewal fee	226,838	108,900
Less: Accumulated amortisation	(126,086)	(102,933)
	<b>100,752</b>	<b>5,967</b>
	<b>120,904</b>	<b>7,160</b>

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 30 June 2021	5,549	27,748	33,297
Amortisation expense	(4,356)	(21,781)	(26,137)
<b>Balance at 30 June 2024</b>	<b>1,193</b>	<b>5,967</b>	<b>7,160</b>
Additions	23,588	117,938	141,526
Amortisation expense	(4,629)	(23,153)	(27,782)
<b>Balance at 30 June 2025</b>	<b>20,152</b>	<b>100,752</b>	<b>120,904</b>

#### Additions

During the financial year the company renewed the franchise fee for an additional 5 years. This is to be amortised over 5 years to October 2029.

#### 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:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2029

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

## Notes to the financial statements (continued)

### Note 16. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	12,596	240,227
Other payables and accruals	175,100	148,858
	<b>187,696</b>	<b>389,085</b>
<i>Non-current liabilities</i>		
<b>Other payables and accruals</b>	<b>93,407</b>	<b>-</b>

	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	281,103	389,085
Less GST payable to the ATO, included in trade and other payables	(72,091)	(57,011)
	<b>209,012</b>	<b>332,074</b>

### Note 17. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
<b>Land and buildings lease liabilities</b>	<b>231,967</b>	<b>212,210</b>
<i>Non-current liabilities</i>		
<b>Land and buildings lease liabilities</b>	<b>1,133,096</b>	<b>1,177,348</b>

#### *Reconciliation of lease liabilities*

	2025 \$	2024 \$
Opening balance	1,389,558	1,025,727
Remeasurement adjustments	114,844	514,337
Lease interest expense	92,152	64,437
Lease payments - total cash outflow	(231,491)	(214,943)
	<b>1,365,063</b>	<b>1,389,558</b>

#### *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.

## Notes to the financial statements (continued)

### Note 17. Lease liabilities (continued)

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
Carrum Downs branch	7.50%	5 years	N/A	N/A	November 2029
Marriot Waters agency	6.75%	6 years 11 months	1 x 5 years	Yes	December 2034

#### Remeasurement adjustments

During the financial year the Carrum Downs branch lease was remeasured to include annual rental increases of 4 percent. As such an adjustment was required for the remeasurement of the lease liability and right-of-use asset.

### Note 18. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	100,778	148,502
Long service leave	119,185	136,025
	<b>219,963</b>	<b>284,527</b>
<i>Non-current liabilities</i>		
<b>Long service leave</b>	<b>21,958</b>	<b>2,437</b>

#### 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 expected when the leave is taken and is measured at the rates paid or payable.

#### Accounting policy for other long-term employee benefits

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

### Note 19. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	345,510	345,510	345,510	345,510
Less: Return of capital (2019)	-	-	(86,377)	(86,377)
Less: Return of capital (2020)	-	-	(86,378)	(86,378)
Less: Return of capital (2021)	-	-	(86,378)	(86,378)
Less: Return of capital (2022)	-	-	(83,162)	(83,162)
	<b>345,510</b>	<b>345,510</b>	<b>3,215</b>	<b>3,215</b>

## Notes to the financial statements (continued)

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### Note 19. Issued capital (continued)

#### *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.

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.

## Notes to the financial statements (continued)

### Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

### Note 21. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2025 \$	2024 \$
<b>Fully franked dividend of 25 cents per share (2024: 28 cents)</b>	<b>86,378</b>	<b>96,743</b>

#### Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	778,531	564,791
Franking credits (debits) arising from income taxes paid (refunded)	162,425	245,988
Franking debits from the payment of franked distributions	(28,793)	(32,248)
	<b>912,163</b>	<b>778,531</b>
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	912,163	778,531
Franking credits (debits) that will arise from payment (refund) of income tax	53,402	89,504
<b>Franking credits available for future reporting periods</b>	<b>965,565</b>	<b>868,035</b>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

#### Accounting policy for dividends

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

### Note 22. Financial risk management

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

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

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

## Notes to the financial statements (continued)

### Note 22. Financial risk management (continued)

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

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

	2025 \$	2024 \$
<i>Financial assets at amortised cost</i>		
Trade and other receivables excluding prepayments (note 11)	45,575	49,743
Cash and cash equivalents (note 10)	261,062	198,275
Investments (note 12)	2,000,000	2,000,000
	<b>2,306,637</b>	<b>2,248,018</b>
<i>Financial liabilities at amortised cost</i>		
Trade and other payables (note 16)	209,012	332,074
Lease liabilities (note 17)	1,365,063	1,389,558
	<b>1,574,075</b>	<b>1,721,632</b>

#### *Accounting policy for financial instruments*

##### **Financial assets**

###### *Classification*

The company measures its financial assets at amortised cost.

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 measures its financial liabilities at amortised cost.

The company's financial liabilities measured at amortised cost comprise of trade and payables and lease liabilities.

###### *Derecognition*

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

## Notes to the financial statements (continued)

### Note 22. 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 \$261,062 and term deposits of \$2,000,000 at 30 June 2025 (2024: \$198,275 and \$2,000,000).

#### 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 \$
<b>2025</b>				
Trade and other payables	115,605	93,407	-	209,012
Lease liabilities	239,622	957,930	551,607	1,749,159
<b>Total non-derivatives</b>	<b>355,227</b>	<b>1,051,337</b>	<b>551,607</b>	<b>1,958,171</b>

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	332,074	-	-	332,074
Lease liabilities	219,125	908,439	715,378	1,842,942
<b>Total non-derivatives</b>	<b>551,199</b>	<b>908,439</b>	<b>715,378</b>	<b>2,175,016</b>

### Note 23. Key management personnel disclosures

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

Mr Lindsay (Malcolm) Wells	Hon Ken Smith AM
Mrs Christine Swanson	Mr Jason Pater
Mr Gary Landy	Mr Gary Rowe

## Notes to the financial statements (continued)

### Note 23. Key management personnel disclosures (continued)

#### Compensation

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	129,996	96,252
Post-employment benefits	14,950	10,588
	<b>144,946</b>	<b>106,840</b>

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

### Note 24. Related party transactions

#### Key management personnel

Disclosures relating to key management personnel are set out in note 23.

#### Receivable from and payable to related parties

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

#### Terms and conditions of transactions with related parties

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

#### Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
A director is the CEO of Payton Foundation. The company made donations to Payton Foundation.	-	270,000
The company used the bookkeeping/accounting services of a company controlled by one of the directors.	25,800	27,280
The company used the accounting services of entities connected to one of its directors for tax returns, payroll processing and other related accounting services.	7,606	1,980

### Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	2025 \$	2024 \$
<i>Audit services</i>		
<b>Audit or review of the financial statements - Andrew Frewin Stewart</b>	<b>12,370</b>	<b>10,550</b>
<i>Other services</i>		
<b>General advisory services</b>	<b>2,695</b>	<b>3,210</b>

## Notes to the financial statements (continued)

### Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	413,160	344,347
Adjustments for:		
Depreciation and amortisation	249,152	249,816
Net loss on disposal of non-current assets	-	103,921
Lease liabilities interest	92,152	64,436
Change in operating assets and liabilities:		
Decrease in trade and other receivables	21,676	16,220
Decrease/(increase) in deferred tax assets	12,082	(3,718)
Increase/(decrease) in trade and other payables	(221,198)	159,183
Decrease in provision for income tax	(36,103)	(119,774)
Increase/(decrease) in employee benefits	(45,043)	33,194
Increase/(decrease) in other provisions	(74,635)	78,837
<b>Net cash provided by operating activities</b>	<b>411,243</b>	<b>926,462</b>

### Note 27. Earnings per share

	2025 \$	2024 \$
<b>Profit after income tax</b>	<b>413,160</b>	<b>344,347</b>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	345,510	345,510
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>345,510</b>	<b>345,510</b>
	Cents	Cents
Basic earnings per share	119.58	99.66
Diluted earnings per share	119.58	99.66

### Note 28. Commitments

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

### Note 29. Contingencies

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

### Note 30. 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

For the financial year ended 30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



---

Lindsay (Malcolm) Wells  
Chair

29 September 2025

# Independent audit report



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

## Independent auditor's report to the Directors of Carrum Downs Financial Services Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion, the accompanying financial report of Carrum Downs 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 Carrum Downs 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 for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies, and the
- Directors' declaration.

#### Basis for opinion

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

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

#### Other information

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

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

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

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



Andrew Frewin Stewart  
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ABN: 65 684 604 390  
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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: 29 September 2025

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

**Jessica Ritchie**  
Lead Auditor

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 **Bendigo Bank**