

Annual Report 2026

Carrum Downs Financial
Services Limited

Community Bank
Carrum Downs and Marriott Waters

ABN 89 088 990 470

Carrum Downs and
Marriott Waters



Contents

Chair's report	2
Senior Branch Manager's report	4
Directors' report	5
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	16
Directors' declaration	34
Independent audit report	35

Chair's report

For year ending 30 June 2026

It is with great 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

In 1999 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 those beginnings we have grown into one of the most successful Community Bank companies in the Bendigo Bank Community Bank Network, and this 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

FY26 delivered growth ahead of every target we set. Total footings reached \$415.9 million at 30 June 2026, on footings growth of \$24.48 million for the year - \$18.7 million at Carrum Downs and \$5.77 million at Marriott Waters - against a target of \$14.45 million, finishing \$10.03 million ahead. Our branches also settled 97 home loans across the year, 65 at Carrum Downs and 32 at Marriott Waters.

From a financial perspective:

- Total revenue: \$3,120,473 (2025: \$2,905,714), comprising \$3,026,247 from contracts with customers and \$94,226 of finance revenue
- Income finished 8% ahead of budget, driven by strong margin income
- Operating costs: \$2,201,012, which is \$16,804 (1%) under budget
- Profit before community contributions and income tax: \$873,296 (2025: \$885,951)
- Community contributions: \$376,515 (2025: \$334,388)
- Income tax expense: \$125,053 (2025: \$138,403)
- Profit after income tax: \$371,728 (2025: \$413,160)
- Basic earnings per share: 107.59 cents (2025: 119.58 cents)

Our balance sheet strengthened further over the year. Total assets stood at \$4,341,687 at 30 June 2026 (2025: \$4,259,407), net assets at \$2,554,397 (2025: \$2,286,322) and retained earnings at \$2,551,182 (2025: \$2,283,107). During the year we paid a fully franked dividend of 30 cents per share, totaling \$103,653 (2025: 25 cents, \$86,378). These results mean we can keep investing back into our community while maintaining a strong and stable financial position.

At our August Board meeting we were pleased to declare a dividend of 30 cents per share, which will be paid to shareholders in September 2026.

Community contributions

Giving back to our community remains at the heart of what we do. This year we returned \$376,515 to our community, our largest annual contribution yet and up from \$334,388 the year before. Since we began, we have contributed more than \$5 million to the communities we serve - an extraordinary milestone that reflects the power of the Community Bank model.

Chair's report (continued)

We were proud to support a diverse range of local organisations during the year, including Windmill Theatre Company, Dandenong Thunder Football Club, Frankston District Netball Association, Frankston TAC L2P, Frankston Combined Probus Club, Frankston Pines SC, Speak and Share, McClelland Secondary College, Dogs Victoria, Skye Fire Brigade, Seaford Tigers Cricket Club, Carrum Downs Cricket Club, Merinda Park Cricket Club, Lyrebird Community Centre, and many others.

Two commitments stand out. We contributed \$75,000 to fund a wellbeing pilot program at Seaford Park Primary School, delivered in partnership with the Payton Foundation and Seeding Hope. We also contributed a further \$200,000 towards our supported housing initiative, which funds housing for families experiencing hardship or domestic violence.

Our great team

None of this year's results would have been possible without our branch team, whose care for our customers and our community shows in everything they do. On behalf of the Board, I thank every member of staff for their effort and commitment throughout the year.

We also marked a significant milestone this year. Len Barda retired as our Senior Branch Manager on 1 May 2026 after 14 years of outstanding leadership of the Carrum Downs and Marriott Waters branches. Len's judgement, his relationships across the community and his commitment to our customers helped shape the company into what it is today. We are pleased that his contribution continues, with Len joining the Board as a Director. We also congratulate Ben, who was promoted to the Senior Branch Manager role and has led the team strongly through the second half of the year.

Your Board

As of 1 July 2026, the Board welcomes Len Barda and Harry Waterfall as new Directors. Harry participated in our 12-month Board observer program, and we were pleased to offer him a position on the Board at the conclusion of that program. I thank my fellow Directors and our Company Secretary, Emily Wiltshire, for their dedication and governance oversight throughout the year, and acknowledge our strong partnership with Bendigo and Adelaide Bank Limited, whose support underpins our ability to deliver financial services and reinvest in our community.

What lies ahead

In the year ahead our focus is on growing local lending, welcoming new customers to both branches, refreshing the Marriott Waters branch, and continuing to back the community initiatives that make the biggest difference locally. We remain confident in the resilience of our business model and in our ability to balance strong financial outcomes with meaningful community investment.

Our 2026 Annual General Meeting will be held on 23 November 2026 at 7.00 pm, and we would be pleased to see you there.

Finally, to our shareholders, thank you for your continued trust and support. Together we have delivered more than 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.



Malcolm Wells
Chair
Carrum Downs Financial Services Limited

Senior Branch Manager's report

For year ending 30 June 2026

It is with great pleasure that I present the Senior Branch Manager's Report for Community Bank Carrum Downs and Community Bank Marriott Waters for the 2026 financial year.

Our Community Bank has continued to deliver a strong performance over the past twelve months, despite the challenges households and businesses continue to face. We focus on building trust with our customers to help build a stronger community.

Some of the key highlights during the 2026 financial year include;

- We grew our business by over \$24 million, against a target of \$15 million
- Total business on our books is now over \$414 million
- We now assist 11,498 customers with banking needs
- Our staff member Ben McDonald received the Bendigo Bank Rising Star award for his efforts

I'm also delighted to share the results of the awards night held on 10 September 2026. Our Carrum Downs branch was named Branch of the Year for the 2025-26 financial year and also took out the Lending Award, while Carrum Downs and Marriott Waters were joint winners of the Operational Excellence (Risk) award. This is three years in a row that our Community Bank has won Branch of the Year, which is a testament to our team and to the standard of service and care our customers receive every day.

As someone who has grown up in Carrum Downs, I'm excited that this year we were able to invest a further \$376,515 back into our local communities, supporting over 25 different clubs, organisations and not-for-profit organisations. The Bendigo Bank Community Bank network contributed more than \$51 million into almost 10,000 projects during the financial year. This is all made possible by our customer's choosing to Bank with us.

The 2026 financial year has seen us say farewell to 2 long term staff members, in our former Senior Branch Manager Len, as well as a Marriott Waters original Ros. With Len & Ros both retiring after long-standing banking careers, we've promoted from within, with Ben now our Customer Relationship Manager. We've also brought on our newest staff member, Dulanjali as our Customer Relationship Officer. In August 2025 we also had Vanessa Draga join us as our Community Engagement Advisor, with this role specifically designed to help create and build stronger relationships with our community.

I want to thank the whole team we've had over the financial year, including Len, Christopher, Ben, Belinda, Ros, Dulanjali, Laura, Vanessa, Carolynne, Preety, Silvana, Rosina & Vidhi – for their dedication to a high-quality customer service and helping to continue strengthen our standing in the community. I would also like to thank our Board of Directors, customers & shareholders for the continued support to making our community a success.

As we enter the 2027 Financial Year with new leadership, our aim to do the basics brilliantly. Providing excellent customer service, growing our customer base, and increasing our reach within the community will be vital for us to continue meeting our financial objectives.

Our success is your success, and together we will continue to make a lasting difference in this community.

Ben Crawford
Senior Branch Manager

Directors' report

For the financial year ended 30 June 2026

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

Directors

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

Mr Lindsay (Malcolm) Wells

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 in Pakenham. 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

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

Directors' report (continued)

Directors (continued)

Mr Gary Landy

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

Hon Ken Smith AM

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

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.
Special responsibilities:	Treasurer and Chair of Audit and Finance Committee

Mr Gary Rowe

Title:	Non-executive director
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.

Directors' report (continued)

Directors (continued)

Mr Harry Waterfall

Title: Non-executive director (appointed 1 July 2026)

Mr Leon Barda

Title: Non-executive director (appointed 1 July 2026)

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.

Review of operations

The profit for the company after providing for income tax amounted to \$371,728 (2025: \$413,160)

Operations have continued to perform in line with expectations.

Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 30 cents per share (2025: 25 cents)	103,653	86,378

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Directors' report (continued)

Matters subsequent to the end of the financial year (continued)

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

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

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 22 and 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
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
Harry Waterfall	18,200	-	18,200
Leon Barda	-	-	-

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of directors and officers

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

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

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)

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 24 to the accounts.

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

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

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



Lindsay (Malcolm) Wells
Chair

28 September 2026

Auditor's independence declaration



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

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

As lead auditor for the audit of Carrum Downs Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 September 2026

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 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	3,026,247	2,821,973
Finance revenue		94,226	83,741
Total revenue		3,120,473	2,905,714
Employee benefits expense	7	(1,524,797)	(1,403,387)
Advertising and marketing costs		(8,671)	(9,637)
Occupancy and associated costs		(71,896)	(53,972)
System costs		(81,583)	(90,387)
Depreciation and amortisation expense	7	(266,905)	(249,157)
Finance costs	7	(89,664)	(94,269)
General administration expenses		(203,661)	(118,954)
Total expenses before community contributions and income tax		(2,247,177)	(2,019,763)
Profit before community contributions and income tax		873,296	885,951
Charitable donations and sponsorships expense		(376,515)	(334,388)
Profit before income tax expense		496,781	551,563
Income tax expense	8	(125,053)	(138,403)
Profit after income tax expense for the year		371,728	413,160
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		371,728	413,160
		Cents	Cents
Basic earnings per share	26	107.59	119.58
Diluted earnings per share	26	107.59	119.58

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 for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	25,133	261,062
Trade and other receivables	10	327,936	269,483
Investments	11	2,500,000	2,000,000
Total current assets		2,853,069	2,530,545
Non-current assets			
Property, plant and equipment	12	250,502	289,669
Right-of-use assets	13	1,048,607	1,245,754
Intangible assets	14	92,596	120,904
Deferred tax assets	8	96,913	72,535
Total non-current assets		1,488,618	1,728,862
Total assets		4,341,687	4,259,407
Liabilities			
Current liabilities			
Trade and other payables	15	204,819	187,696
Lease liabilities	16	241,298	231,967
Current tax liabilities	8	50,900	53,402
Employee benefits	17	189,526	219,963
Total current liabilities		686,543	693,028
Non-current liabilities			
Trade and other payables	15	62,271	93,407
Lease liabilities	16	971,538	1,133,096
Employee benefits	17	33,073	21,958
Provisions		33,865	31,596
Total non-current liabilities		1,100,747	1,280,057
Total liabilities		1,787,290	1,973,085
Net assets		2,554,397	2,286,322
Equity			
Issued capital	18	3,215	3,215
Retained earnings		2,551,182	2,283,107
Total equity		2,554,397	2,286,322

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 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		3,215	1,956,325	1,959,540
Profit after income tax expense		-	413,160	413,160
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	413,160	413,160
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(86,378)	(86,378)
Balance at 30 June 2025		3,215	2,283,107	2,286,322
Balance at 1 July 2025		3,215	2,283,107	2,286,322
Profit after income tax expense		-	371,728	371,728
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	371,728	371,728
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(103,653)	(103,653)
Balance at 30 June 2026		3,215	2,551,182	2,554,397

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 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,266,386	3,106,101
Payments to suppliers and employees (inclusive of GST)		(2,578,698)	(2,620,342)
Interest received		102,178	87,908
Income taxes paid		(151,933)	(162,424)
Net cash provided by operating activities	25	637,933	411,243
Cash flows from investing activities			
Investment in managed funds		(500,000)	-
Payments for property, plant and equipment	12	(2,282)	(2,282)
Payments for intangible assets		(28,305)	(28,305)
Net cash used in investing activities		(530,587)	(30,587)
Cash flows from financing activities			
Interest and other finance costs paid		(87,395)	(92,152)
Dividends paid	20	(103,653)	(86,378)
Repayment of lease liabilities		(152,227)	(139,339)
Net cash used in financing activities		(343,275)	(317,869)
Net increase/(decrease) in cash and cash equivalents		(235,929)	62,787
Cash and cash equivalents at the beginning of the financial year		261,062	198,275
Cash and cash equivalents at the end of the financial year	9	25,133	261,062

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 2026

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 28 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

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

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

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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.

Notes to the financial statements (continued)

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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.

Notes to the financial statements (continued)

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

Employee benefits provision

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in 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. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	2,681,926	2,487,547
Fee income	182,869	186,515
Commission income	161,452	147,911
	3,026,247	2,821,973

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

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

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

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

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.

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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

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

Note 7. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	1,293,830	1,204,692
Superannuation contributions	153,968	133,211
Expenses related to long service leave	11,007	3,663
Other expenses	65,991	61,821
	1,524,797	1,403,387

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	24,322	24,322
Plant and equipment	17,127	16,259
	41,449	40,581
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	197,148	180,794
<i>Amortisation of intangible assets</i>		
Franchise fee	4,716	4,629
Franchise renewal fee	23,592	23,153
	28,308	27,782
	266,905	249,157

Finance costs

	2026 \$	2025 \$
Lease interest expense	87,395	92,152
Unwinding of make-good provision	2,269	2,117
	89,664	94,269

Charitable donations, sponsorships and grants

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	376,515	334,388

Notes to the financial statements (continued)

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	149,431	126,321
Movement in deferred tax	(24,378)	12,082
Aggregate income tax expense	125,053	138,403
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	496,781	551,563
Tax at the statutory tax rate of 25%	124,195	137,891
Tax effect of:		
Non-deductible expenses	858	512
Income tax expense	125,053	138,403

	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(18,950)	(26,272)
Employee benefits	55,650	60,480
Lease liabilities	311,675	349,165
Accrued expenses	10,690	600
Right-of-use assets	(262,152)	(311,438)
Deferred tax asset	96,913	72,535

	2026 \$	2025 \$
Provision for income tax	50,900	53,402

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 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash on hand	141	259
Cash at bank	24,992	260,803
	25,133	261,062

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	265,780	218,341
Security deposit	25,000	25,000
Accrued income	28,527	20,575
Prepayments	8,629	5,567
	327,936	269,483

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	327,936	269,483
Less prepayments, included in trade and other receivables	(8,629)	(5,567)
	319,307	263,916

Accounting policy for trade and other receivables

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

Note 11. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Investment account	2,500,000	2,000,000

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Leasehold improvements - at cost	243,224	243,224
Less: Accumulated depreciation	(109,843)	(85,521)
	133,381	157,703
Plant and equipment - at cost	175,384	173,102
Less: Accumulated depreciation	(58,263)	(41,136)
	117,121	131,966
	250,502	289,669

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2024	182,025	145,943	327,968
Additions	-	2,282	2,282
Depreciation	(24,322)	(16,259)	(40,581)
Balance at 30 June 2025	157,703	131,966	289,669
Additions	-	2,282	2,282
Depreciation	(24,322)	(17,127)	(41,449)
Balance at 30 June 2026	133,381	117,121	250,502

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	2.5 to 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 13. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	2,261,262	2,261,262
Less: Accumulated depreciation	(1,212,655)	(1,015,508)
	1,048,607	1,245,754

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 2024	1,311,704
Remeasurement adjustments	114,844
Depreciation expense	(180,794)
Balance at 30 June 2025	1,245,754
Depreciation expense	(197,147)
Balance at 30 June 2026	1,048,607

Notes to the financial statements (continued)

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

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 \$	2025 \$
Franchise fee	45,368	45,368
Less: Accumulated amortisation	(29,932)	(25,216)
	15,436	20,152
Franchise renewal fee	226,838	226,838
Less: Accumulated amortisation	(149,678)	(126,086)
	77,160	100,752
	92,596	120,904

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	1,193	5,967	7,160
Additions	23,588	117,938	141,526
Amortisation expense	(4,629)	(23,153)	(27,782)
Balance at 30 June 2025	20,152	100,752	120,904
Amortisation expense	(4,716)	(23,592)	(28,308)
Balance at 30 June 2026	15,436	77,160	92,596

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 15. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	5,959	12,596
Other payables and accruals	198,860	175,100
	204,819	187,696
<i>Non-current liabilities</i>		
Other payables and accruals	62,271	93,407
	267,090	281,103

	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	267,090	281,103
Less statutory payables, included in trade and other payables	(103,906)	(89,040)
	163,184	192,063

Note 16. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	241,298	231,967
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	971,538	1,133,096
	1,212,836	1,365,063

Reconciliation of lease liabilities

	2026 \$	2025 \$
Opening balance	1,365,063	1,389,558
Remeasurement adjustments	-	114,844
Lease interest expense	87,395	92,152
Lease payments - total cash outflow	(239,622)	(231,491)
	1,212,836	1,365,063

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 16. 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 Branch	6.75%	6 years 11 months	1 x 5 years	Yes	December 2034

Note 17. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	73,788	100,778
Long service leave	115,738	119,185
	189,526	219,963
<i>Non-current liabilities</i>		
Long service leave	33,073	21,958
	222,599	241,921

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
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)
	345,510	345,510	3,215	3,215

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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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 19. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitors 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 20. Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 30 cents per share (2025: 25 cents)	103,653	86,378

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	912,163	778,531
Franking credits (debits) arising from income taxes paid (refunded)	151,933	162,425
Franking debits from the payment of franked distributions	(34,551)	(28,793)
	1,029,545	912,163
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	1,029,545	912,163
Franking credits (debits) that will arise from payment (refund) of income tax	50,900	53,402
Franking credits available for future reporting periods	1,080,445	965,565

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

Accounting policy for dividends

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

Note 21. Financial risk management

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

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

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

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

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

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

	2026 \$	2025 \$
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	25,133	261,062
Trade and other receivables excluding prepayments (note 10)	319,307	263,916
	344,440	524,978
Financial assets at fair value through profit or loss		
Investments (note 11)	2,500,000	2,000,000
Financial liabilities		
Trade and other payables (note 15)	163,184	192,063
Lease liabilities (note 16)	1,212,836	1,365,063
	1,376,020	1,557,126

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

The company's financial assets measured at FVTPL comprise investments in managed funds over which the company does not have significant influence nor control.

Derecognition

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

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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Derecognition

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

Market risk

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

Interest-bearing assets 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 \$25,133 and investments of \$2,500,000 at 30 June 2026 (2025: \$261,062 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 \$
2026				
Trade and other payables	100,913	62,271	-	163,184
Lease liabilities	249,261	823,479	436,796	1,509,536
Total non-derivatives	350,174	885,750	436,796	1,672,720

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	98,656	93,407	-	192,063
Lease liabilities	239,622	957,930	551,607	1,749,159
Total non-derivatives	338,278	1,051,337	551,607	1,941,222

Note 22. 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	Mr Jason Pater
Mrs Christine Swanson	Mr Gary Rowe
Mr Gary Landy	Harry Waterfall
Hon Ken Smith AM	Leon Barda

Notes to the financial statements (continued)

Note 22. Key management personnel disclosures (continued)

Compensation

Key management personnel compensation comprised the following.

	2026 \$	2025 \$
Short-term employee benefits	129,996	129,996
Post-employment benefits	16,600	14,950
	146,596	144,946

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

Note 23. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
The company used the accounting services of entities connected to one of its directors for tax returns, payroll processing and other related accounting services.	7,560	7,606
The company used the bookkeeping/accounting services of a company controlled by one of the directors.	25,800	25,800
A director is the CEO of Payton Foundation. The company made donations to Payton Foundation.	275,000	-

Note 24. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	13,030	12,370
<i>Other services</i>		
General advisory services	2,760	2,695
	15,790	15,065

Notes to the financial statements (continued)

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

	2026 \$	2025 \$
Profit after income tax expense for the year	371,728	413,160
Adjustments for:		
Depreciation and amortisation	266,904	249,152
Lease liabilities interest	87,395	92,152
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(58,453)	21,676
Decrease/(increase) in deferred tax assets	(24,378)	12,082
Increase/(decrease) in trade and other payables	17,123	(221,198)
Decrease in provision for income tax	(2,502)	(36,103)
Decrease in employee benefits	(19,322)	(45,043)
Decrease in other provisions	(562)	(74,635)
Net cash provided by operating activities	637,933	411,243

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	371,728	413,160

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	345,510	345,510
Weighted average number of ordinary shares used in calculating diluted earnings per share	345,510	345,510

	Cents	Cents
Basic earnings per share	107.59	119.58
Diluted earnings per share	107.59	119.58

Note 27. Commitments

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

Note 28. Contingencies

There were no contingent liabilities or contingent assets at the date of this report (2025: Nil).

Note 29. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

For the financial year ended 30 June 2026

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 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the 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

28 September 2026

Independent audit report



Andrew Frewin Stewart
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ABN: 65 684 604 390
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03 5443 0344

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

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

- Statement of financial position as at 30 June 2026
- 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.

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.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.



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

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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

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: 28 September 2026

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

Jessica Ritchie
Lead Auditor

Community Bank · Carrum Downs

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