

Caulfield Park Community Financial Services Limited

ABN 42 106 397 504

Financial Report - 30 June 2025

Caulfield Park Community Financial Services Limited

Directors' report

30 June 2025

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

Directors

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

Name:	David Keith Clarke (<i>resigned 23 July 2025</i>)
Title:	Non-executive director
Experience and expertise:	Retired Managing Director of Snap Caulfield South. Held that position for over 20 years forming many long terms business and social friendships. David held senior roles in Sales and Marketing Management for 40+ years. Currently very busy as Chair of our community bank and looking after some personal interests whilst spending time with children and grandchildren. Has been on the Board for more than 15 years.
Special responsibilities:	Grants and Community Engagement Committee.
Name:	Jeffrey Allan Kagan
Title:	Non-executive director
Experience and expertise:	Jeffrey has worked in consulting and financial services businesses for over 35 years having held Executive and Senior Finance roles in leading strategic and operational change, driving business growth and operational efficiency. Jeffrey holds a Bachelor of Economics (Monash), is a Chartered Accountant, holds a Diploma in Applied Finance and Investment (FINSIA) and is a Graduate of the Australian Institute of Company Directors (GAICD). Jeffrey has been involved in community youth and sporting groups in Executive roles for 30 years. He is presently Chief Financial Officer and Executive Director Business Services at Mind Australia, a provider of Mental Health Supports and a Community housing provider.
Special responsibilities:	Chair, Treasurer and Chair of Finance, Audit & Risk Committee, Member of Governance, Remuneration & Nomination Committee.
Name:	Samuel Parasol OAM
Title:	Non-executive director
Experience and expertise:	Sam has been owner and company director of a clothing business for over 40 years, and has had extensive involvement in community and sporting organisations for over 50 years. Amongst many roles, Sam is a previous president of Maccabi, was inducted into Maccabi Hall of Fame and has been elevated to Legend. Sam headed the inaugural steering committee that established the company and held the position of Chairman for over 10 years. Sam is presently a Councillor for the City of Glen Eira. He holds a Bachelor of Economics. Fellow - Justice of the Peace.
Special responsibilities:	Member of Finance, and Grants and Community Engagement Committee.
Name:	Mark Ellison (<i>resigned 18 July 2025</i>)
Title:	Non-executive director
Experience and expertise:	Mark has 45 years of experience in finance roles including public practice. He was a partner of EY Paris and has been CFO in private and public companies. He has also been a consultant in corporate finance. Mark holds the following qualifications: Master of Arts from the University of Cambridge, MBA from INSEAD, Chartered Accountant (ICAEW) and CPA (New York). He is a Graduate of the Australian Institute of Company Directors. Director and Treasurer of several community organisations, including Kehilat Nitzan Tikkun Olam PBI Ltd (KNTD), a public Benevolent institution based in Caulfield.
Special responsibilities:	Member of the Finance, Audit and Risk Committee, and Member of Governance, Remuneration & Nomination Committee.

Caulfield Park Community Financial Services Limited

Directors' report

30 June 2025

Name:	Gary Arnold Hershan
Title:	Non-executive director
Experience and expertise:	Gary is a retired Chartered Accountant with over 50 years experience in Public Accounting. Over this time he has provided business, accounting and taxation advice to many businesses, particularly in the SME sector. He has held executive positions in a number of not-for-profit organisations. Gary's qualifications include Bachelor of Commerce (Hons.) and Chartered Accountant.
Special responsibilities:	Member of the Finance, Audit and Risk Committee, and Grants and Community Engagement Committee.
Name:	Roslyn Gunn
Title:	Non-executive director
Experience and expertise:	Roslyn is passionate about social justice and has extensive experience in community projects within numerous and diverse organisations and charities. Roslyn has a reputation for being the starting point for projects, creative concepts, end to end project management, data driven performance analysis, and creating strategic partnerships for mutually beneficial outcomes. Roslyn believes that values-based leadership and diversity is key to effectual leadership. Roslyn has experience in Project Management, Operations Policy and Process, and Brand Strategy. Roslyn holds a Bachelor of Business (Accounting) from Monash University, and CPA from the Australian Society of Certified Practicing Accountants.
Special responsibilities:	Chair of Grants and Community Engagement Committee, and Member of Governance, Remuneration & Nomination Committee.
Name:	Edward Terkelsen
Title:	Non-executive director
Experience and expertise:	Ed is Financial Services Executive with 25 years' experience in finance, risk management, strategy and technology in institutions such as KPMG, NAB, MLC, AMP & Iress Ltd. Ed is a Chartered Accountant, holds a Bachelor of Arts and Bachelor of Commerce (Monash University), and a Diploma of Applied Finance and Investment (FINSIA). He is a Graduate of the Australian Institute of Company Directors (AICD). Ed has been heavily involved in a volunteer capacity across numerous local education and sporting organisations for the past 10 years.
Special responsibilities:	Deputy Chair, Member of the Finance, Audit and Risk Committee, Member of Governance, Remuneration & Nomination Committee, and Member of M&A Working Group
Name:	Katherine Sdrinis
Title:	Non-executive directors (<i>appointed 25 November 2024</i>)
Experience and expertise:	Katherine has a background in Human Resources including organisational development and design, employment relations, learning and development, health and safety, remuneration and benefits, engagement, etc. She is a member of the Board and Chair of the Governance Committee for a children's charity, Big Group Hug Ltd. She is also a member of the Board for University House Ltd, the University of Melbourne's staff and alumni club. She is the principal of Katherine Sdrinis Consulting.
Special responsibilities:	Company Secretary, Chair Governance Committee
Name:	James Phillip Bonwick
Title:	Non-executive director (<i>appointed 25 November 2024</i>)
Experience and expertise:	James is a seasoned executive with over 20 years' experience in senior General Manager and Head of leadership roles driving growth and retention outcomes for industry leaders in highly regulated markets. His leadership roles span marketing, sales, product, customer retention and growth for major brands including Telstra, Optus, Vocus, AGL, Ergon and Origin Energy. James holds a Master of Marketing and a Bachelor of Science (Mathematics) degrees from Monash University and is a graduate of the Australian Institute of Company Directors.
Special responsibilities:	GACE Committee

Caulfield Park Community Financial Services Limited
Directors' report
30 June 2025

Name:	Robyn Marian Taft
Title:	Non-executive director (<i>resigned 17 January 2025</i>)
Experience and expertise:	Experience and expertise: Robyn has spent over thirty-five years in legal practice as an in-house counsel in leading commercial, not-for-profit and government organisations in diverse industries including transport, energy, health and other essential services. Her last role was Corporate Counsel for Glen Eira City Council where she managed a staff of six and was responsible for legal services, procurement, governance, risk and the Council secretariat. She retired from full-time employment in 2018 and works casually as a legal researcher, and enjoys spending time with her grand-children and doing voluntary work for Melbourne East Disability Advocacy. Robyn holds a Bachelor of Arts, Master of Laws and Graduate Diploma in Intellectual Property Law, all from the University of Melbourne.
Special responsibilities:	Member of the Governance, Remuneration & Nomination Committee.

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

Company secretary

Two individuals held the position of company secretary during the financial year:

- Katherine Sdrinis was appointed company secretary on 18 July 2025.
- Mark Ellison was appointed as company secretary on 22 December 2020 and ceased on 18 July 2025.

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 \$227,253 (2024: \$330,408).

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 10 cents per share (2024: 10 cents)	<u>73,511</u>	<u>73,511</u>

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

The board entered into a conditional Business Sale Agreement for the purchase of the revenue rights held by Stonnington Community Financial Services Ltd in connection with the loans, deposits and other revenue generating business offered by Bendigo and Adelaide Bank Limited (Bendigo Bank) to the customers of the Community Bank Windsor. The sale agreement was signed on 25 August 2025 and includes key conditions. The sale is expected to occur on 31 October 2025 or such other time as agreed by both parties. The purchase price of the acquisition is \$1,400,000.

No other 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.

Caulfield Park Community Financial Services Limited

Directors' report

30 June 2025

Likely developments and expected results of operations

The board entered into a conditional Business Sale Agreement for the purchase of the revenue rights held by Stonnington Community Financial Services Ltd in connection with the loans, deposits and other revenue generating business offered by Bendigo and Adelaide Bank Limited (Bendigo Bank) to the customers of the Community Bank Windsor. The sale agreement was signed on 25 August 2025 and includes key conditions. The sale is expected to occur on 31 October 2025 or such other time as agreed by both parties. The purchase price of the acquisition is \$1,400,000.

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

Environmental regulation

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

Meetings of directors

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

	Board Eligible	Attended
David Keith Clarke	11	9
Jeffrey Allan Kagan	11	9
Samuel Parasol OAM	11	4
Mark Ellison	11	5
Gary Arnold Hershan	11	10
Roslyn Gunn	11	11
Edward Terkelsen	11	11
Katherine Sdrinis	6	6
James Phillip Bonwick	6	5
Robyn Marian Taft	6	4

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements.

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
David Keith Clarke	2,000	-	2,000
Jeffrey Allan Kagan	3,000	-	3,000
Samuel Parasol OAM	14,000	-	14,000
Mark Ellison	8,000	-	8,000
Gary Arnold Hershan	9,000	-	9,000
Roslyn Gunn	-	-	-
Edward Terkelsen	-	-	-
Katherine Sdrinis	-	-	-
James Phillip Bonwick	-	-	-
Robyn Marian Taft	-	-	-

Shares under option

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

Caulfield Park Community Financial Services Limited

Directors' report

30 June 2025

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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



Jeffrey Allan Kagan
Chairman

29 September 2025



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 Caulfield Park Community Financial Services Limited

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie', is positioned above the printed name.

Jessica Ritchie
Lead Auditor

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	2,180,318	1,955,312
Other revenue		64,342	64,342
Finance revenue		67,779	28,432
Total revenue		<u>2,312,439</u>	<u>2,048,086</u>
Employee benefits expense	7	(987,736)	(761,292)
Advertising and marketing costs		(37,608)	(50,405)
Occupancy and associated costs		(27,636)	(30,818)
System costs		(31,036)	(20,812)
Depreciation and amortisation expense	7	(67,029)	(51,546)
Finance costs		(90,367)	(66,832)
General administration expenses		(205,469)	(121,740)
Total expenses before community contributions and income tax expense		<u>(1,446,881)</u>	<u>(1,103,445)</u>
Profit before community contributions and income tax expense		865,558	944,641
Charitable donations, sponsorships and grants expense	7	<u>(562,339)</u>	<u>(503,511)</u>
Profit before income tax expense		303,219	441,130
Income tax expense	8	<u>(75,966)</u>	<u>(110,722)</u>
Profit after income tax expense for the year		227,253	330,408
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>227,253</u></u>	<u><u>330,408</u></u>
		Cents	Cents
Basic earnings per share	27	30.91	44.95
Diluted earnings per share	27	30.91	44.95

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

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	194,077	63,828
Trade and other receivables	10	192,053	171,035
Investments	11	1,441,366	1,398,587
Current tax assets	8	205,111	59,246
Total current assets		<u>2,032,607</u>	<u>1,692,696</u>
Non-current assets			
Investment properties	14	2,944	22,088
Property, plant and equipment	12	44,078	50,733
Right-of-use assets	13	658,119	686,166
Intangible assets	15	56,226	69,409
Deferred tax assets	8	166,962	156,084
Total non-current assets		<u>928,329</u>	<u>984,480</u>
Total assets		<u>2,960,936</u>	<u>2,677,176</u>
Liabilities			
Current liabilities			
Trade and other payables	16	200,341	45,550
Lease liabilities	17	115,820	112,032
Employee benefits	18	96,512	88,596
Total current liabilities		<u>412,673</u>	<u>246,178</u>
Non-current liabilities			
Trade and other payables	16	31,305	46,958
Lease liabilities	17	1,123,627	1,152,975
Employee benefits	18	12,081	3,684
Lease make good provision		1,816	1,689
Total non-current liabilities		<u>1,168,829</u>	<u>1,205,306</u>
Total liabilities		<u>1,581,502</u>	<u>1,451,484</u>
Net assets		<u>1,379,434</u>	<u>1,225,692</u>
Equity			
Issued capital	19	545,255	545,255
Retained earnings		<u>834,179</u>	<u>680,437</u>
Total equity		<u>1,379,434</u>	<u>1,225,692</u>

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

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		545,255	423,540	968,795
Profit after income tax expense		-	330,408	330,408
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	330,408	330,408
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(73,511)	(73,511)
Balance at 30 June 2024		<u>545,255</u>	<u>680,437</u>	<u>1,225,692</u>
 Balance at 1 July 2024		 545,255	 680,437	 1,225,692
Profit after income tax expense		-	227,253	227,253
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	227,253	227,253
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(73,511)	(73,511)
Balance at 30 June 2025		<u>545,255</u>	<u>834,179</u>	<u>1,379,434</u>

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

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

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,433,578	2,244,340
Payments to suppliers and employees (inclusive of GST)		(1,892,079)	(1,678,682)
Interest received		67,779	28,432
Income taxes paid		(232,709)	(413,283)
Net cash provided by operating activities	26	<u>376,569</u>	<u>180,807</u>
Cash flows from investing activities			
Investment in term deposits		(42,779)	(278,433)
Payments for intangible assets		(14,230)	(14,230)
Net cash used in investing activities		<u>(57,009)</u>	<u>(292,663)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(90,240)	(66,682)
Dividends paid	21	(73,511)	(73,511)
Repayment of lease liabilities		(25,560)	(43,091)
Net cash used in financing activities		<u>(189,311)</u>	<u>(183,284)</u>
Net increase/(decrease) in cash and cash equivalents		130,249	(295,140)
Cash and cash equivalents at the beginning of the financial year		<u>63,828</u>	<u>358,968</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>194,077</u></u>	<u><u>63,828</u></u>

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

Caulfield Park Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 193 Balaclava Road, Caulfield North VIC 3161.

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 29 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

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.

Caulfield Park Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 3. Material accounting policy information (continued)

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Caulfield Park Community Financial Services Limited

Notes to the financial statements

30 June 2025

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

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

Incremental borrowing rate

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

Employee benefits provision

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

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

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 June 2029.

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 5. Economic dependency (continued)

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

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

Note 6. Revenue from contracts with customers

	2025	2024
	\$	\$
Margin income	1,990,586	1,792,792
Fee income	63,846	55,106
Commission income	125,886	107,414
	<u>2,180,318</u>	<u>1,955,312</u>

Accounting policy for revenue from contracts with customers

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

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

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

Caulfield Park Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 6. Revenue from contracts with customers (continued)

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	839,845	653,190
Superannuation contributions	90,648	70,158
Expenses related to long service leave	10,573	8,791
Other expenses	46,670	29,153
	<u>987,736</u>	<u>761,292</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	3,590	3,590
Plant and equipment	1,169	1,352
Furniture and fittings	1,896	1,986
	<u>6,655</u>	<u>6,928</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	20,355	13,824
Investment property	26,836	17,610
	<u>47,191</u>	<u>31,434</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,197	2,197
Franchise renewal fee	10,986	10,987
	<u>13,183</u>	<u>13,184</u>
	<u>67,029</u>	<u>51,546</u>

Charitable donations, sponsorships and grants expense

	2025	2024
	\$	\$
Direct donation, sponsorship and grant payments	287,339	230,784
Contribution to the Community Enterprise Foundation™	275,000	272,727
	<u>562,339</u>	<u>503,511</u>

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

The funds contributed to and held by the CEF are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	86,844	115,284
Movement in deferred tax	(10,878)	(4,523)
Under/over adjustment in respect to prior years	-	(39)
Aggregate income tax expense	<u>75,966</u>	<u>110,722</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	303,219	441,130
Tax at the statutory tax rate of 25%	75,805	110,283
Tax effect of:		
Non-deductible expenses	161	478
	75,966	110,761
Under/over adjustment in respect to prior years	-	(39)
Income tax expense	<u>75,966</u>	<u>110,722</u>
	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	27,148	23,070
Provision for lease make good	454	422
Lease liabilities	309,862	316,252
Right-of-use assets	(165,266)	(177,064)
Property, plant and equipment	(5,236)	(6,596)
Deferred tax asset	<u>166,962</u>	<u>156,084</u>
	2025	2024
	\$	\$
Income tax refund due	<u>205,111</u>	<u>59,246</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 9. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	<u>194,077</u>	<u>63,828</u>

Note 10. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	192,053	165,805
Prepayments	<u>-</u>	<u>5,230</u>
	<u>192,053</u>	<u>171,035</u>

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025	2024
	\$	\$
<i>Current assets</i>		
Term deposits	<u>1,441,366</u>	<u>1,398,587</u>

Note 12. Property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	62,198	62,198
Less: Accumulated depreciation	<u>(39,404)</u>	<u>(35,814)</u>
	<u>22,794</u>	<u>26,384</u>
Plant and equipment - at cost	85,537	85,537
Less: Accumulated depreciation	<u>(72,092)</u>	<u>(70,923)</u>
	<u>13,445</u>	<u>14,614</u>
Furniture and fittings - at cost	73,334	73,334
Less: Accumulated depreciation	<u>(65,495)</u>	<u>(63,599)</u>
	<u>7,839</u>	<u>9,735</u>
	<u>44,078</u>	<u>50,733</u>

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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 \$	Furniture and fittings \$	Total \$
Balance at 1 July 2023	29,974	15,966	11,721	57,661
Depreciation	(3,590)	(1,352)	(1,986)	(6,928)
Balance at 30 June 2024	26,384	14,614	9,735	50,733
Depreciation	(3,590)	(1,169)	(1,896)	(6,655)
Balance at 30 June 2025	<u>22,794</u>	<u>13,445</u>	<u>7,839</u>	<u>44,078</u>

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	10 to 30 years
Plant and equipment	3 to 26 years
Furniture and fittings	2 to 13 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	1,017,666	1,025,358
Less: Accumulated depreciation	<u>(359,547)</u>	<u>(339,192)</u>
	<u>658,119</u>	<u>686,166</u>

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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

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

	Land and buildings \$
Balance at 1 July 2023	38,115
Remeasurement adjustments	661,875
Depreciation expense	<u>(13,824)</u>
Balance at 30 June 2024	686,166
Remeasurement adjustments	(7,692)
Depreciation expense	<u>(20,355)</u>
Balance at 30 June 2025	<u><u>658,119</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 17 for more information on lease arrangements.

Note 14. Investment properties

	2025 \$	2024 \$
Investment property - at cost	145,166	137,474
Less: Accumulated depreciation	<u>(142,222)</u>	<u>(115,386)</u>
	<u><u>2,944</u></u>	<u><u>22,088</u></u>

Reconciliation

Reconciliation of the beginning and end of the current and previous financial year are set out below:

Opening amount	22,088	17,610
Remeasurement adjustments	7,692	22,088
Depreciation expense	<u>(26,836)</u>	<u>(17,610)</u>
Closing amount	<u><u>2,944</u></u>	<u><u>22,088</u></u>

Accounting policy for investment property - sublease

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting policies in note 17 'Lease liabilities' and note 13 'Right-of-use assets' before separately identifying the sublease portion under *AASB 140: Investment Property*. The investment property is initially measured at cost under *AASB 16: Leases* and subsequently measured at cost less accumulated depreciation under *AASB 140: Investment Property*. The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 15. Intangible assets

	2025	2024
	\$	\$
Franchise fee	55,775	55,775
Less: Accumulated amortisation	(46,435)	(44,238)
	<u>9,340</u>	<u>11,537</u>
Franchise renewal fee	228,867	228,867
Less: Accumulated amortisation	(181,981)	(170,995)
	<u>46,886</u>	<u>57,872</u>
	<u><u>56,226</u></u>	<u><u>69,409</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	1,876	9,569	11,445
Additions	11,858	59,290	71,148
Amortisation expense	(2,197)	(10,987)	(13,184)
Balance at 30 June 2024	11,537	57,872	69,409
Amortisation expense	(2,197)	(10,986)	(13,183)
Balance at 30 June 2025	<u><u>9,340</u></u>	<u><u>46,886</u></u>	<u><u>56,226</u></u>

Accounting policy for intangible assets

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

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

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

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

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

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 16. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	84,586	28,282
Other payables and accruals	115,755	17,268
	<u>200,341</u>	<u>45,550</u>
<i>Non-current liabilities</i>		
Other payables and accruals	31,305	46,958
	<u>31,305</u>	<u>46,958</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	231,646	92,508
less GST payable to the ATO, included in trade and other payables	(7,618)	(4,911)
	<u>224,028</u>	<u>87,597</u>

Note 17. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	115,820	112,032
	<u>115,820</u>	<u>112,032</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	1,123,627	1,152,975
	<u>1,123,627</u>	<u>1,152,975</u>
<i>Reconciliation of lease liabilities</i>		
	2025	2024
	\$	\$
Opening balance	1,265,007	621,608
Remeasurement adjustments	-	686,491
Lease interest expense	90,240	66,681
Lease payments - total cash outflow	(115,800)	(109,773)
	<u>1,239,447</u>	<u>1,265,007</u>

Accounting policy for lease liabilities

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

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

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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
Caulfield Park Branch	7.50%	5 years	2 x 5 years	Yes	June 2039

Note 18. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	52,210	46,470
Long service leave	44,302	42,126
	<u>96,512</u>	<u>88,596</u>
<i>Non-current liabilities</i>		
Long service leave	<u>12,081</u>	<u>3,684</u>

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

Remeasurements are recognised in profit or loss in the period in which they arise.

Note 19. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	735,107	735,107	735,107	735,107
Less: Equity raising costs	-	-	(42,830)	(42,830)
Less: Return of capital	-	-	(147,022)	(147,022)
	<u>735,107</u>	<u>735,107</u>	<u>545,255</u>	<u>545,255</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Caulfield Park Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 19. Issued capital (continued)

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.

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.

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 20. Capital management (continued)

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

Dividends provided for and paid during the period

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 \$
Fully franked dividend of 10 cents per share (2024: 10 cents)	73,511	73,511

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	447,542	58,763
Franking credits (debits) arising from income taxes paid (refunded)	232,708	413,283
Franking debits from the payment of franked distributions	(24,504)	(24,504)
	655,746	447,542

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

Balance at the end of the financial year	655,746	447,542
Franking credits (debits) that will arise from payment (refund) of income tax	(205,110)	(59,246)
Franking credits available for future reporting periods	450,636	388,296

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.

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 22. Financial risk management (continued)

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

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- 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 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	192,053	165,805
Cash and cash equivalents (note 9)	194,077	63,828
Investments (note 11)	1,441,366	1,398,587
	<u>1,827,496</u>	<u>1,628,220</u>
Financial liabilities at amortised cost		
Trade and other payables (note 16)	224,028	87,597
Lease liabilities (note 17)	1,239,447	1,265,007
	<u>1,463,475</u>	<u>1,352,604</u>

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

Financial assets

Classification

The company classifies 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 classifies its financial liabilities at amortised cost.

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

Derecognition

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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 \$194,077 and term deposits of \$1,441,366 at 30 June 2025 (2024: \$63,828 and \$1,398,587).

Price risk

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

Liquidity risk

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

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

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2025				
Trade and other payables	192,723	31,305	-	224,028
Lease liabilities	119,715	520,833	1,377,363	2,017,911
Total non-derivatives	312,438	552,138	1,377,363	2,241,939
	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2024				
Trade and other payables	40,639	46,958	-	87,597
Lease liabilities	115,799	503,750	1,514,161	2,133,710
Total non-derivatives	156,438	550,708	1,514,161	2,221,307

Note 23. Key management personnel disclosures

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

David Keith Clarke	Jeffrey Allan Kagan
Samuel Parasol OAM	Mark Ellison
Gary Arnold Hershan	Roslyn Gunn
Edward Terkelsen	Katherine Sdrinis
James Phillip Bonwick	Robyn Marian Taft

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

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

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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
	\$	\$
During the period the company made grants to community groups where a director or close family member was on the committee	5,000	15,565

Note 25. Remuneration of auditors

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

	2025	2024
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	7,340
<i>Other services</i>		
General advisory services	3,800	4,310
Share registry services	7,183	5,766
	<u>10,983</u>	<u>10,076</u>
	<u><u>18,913</u></u>	<u><u>17,416</u></u>

Caulfield Park Community Financial Services Limited
Notes to the financial statements
30 June 2025

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	227,253	330,408
Adjustments for:		
Depreciation and amortisation	67,029	51,546
Lease liabilities interest	90,240	66,681
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(21,018)	22,713
Increase in income tax refund due	(145,865)	(59,246)
Increase in deferred tax assets	(10,878)	(4,522)
Increase/(decrease) in trade and other payables	153,368	(9,466)
Decrease in provision for income tax	-	(238,793)
Increase in employee benefits	16,313	23,445
Increase/(decrease) in other provisions	127	(1,959)
Net cash provided by operating activities	<u>376,569</u>	<u>180,807</u>

Note 27. Earnings per share

	2025	2024
	\$	\$
Profit after income tax	<u>227,253</u>	<u>330,408</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>735,107</u>	<u>735,107</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>735,107</u>	<u>735,107</u>
	Cents	Cents
Basic earnings per share	30.91	44.95
Diluted earnings per share	30.91	44.95

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

The board entered into a conditional Business Sale Agreement for the purchase of the revenue rights held by Stonnington Community Financial Services Ltd in connection with the loans, deposits and other revenue generating business offered by Bendigo and Adelaide Bank Limited (Bendigo Bank) to the customers of the Community Bank Windsor. The sale agreement was signed on 25 August 2025 and includes key conditions. The sale is expected to occur on 31 October 2025 or such other time as agreed by both parties. The purchase price of the acquisition is \$1,400,000.

No other 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.

Caulfield Park Community Financial Services Limited
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- 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



Jeffrey Allan Kagan
Chairman

29 September 2025



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 Caulfield Park Community Financial Services Limited

Report on the audit of the financial report

Our opinion

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

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

What we have audited

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

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

Basis for opinion

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

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

Emphasis of matter

We draw attention to Note 30 of the financial report, which describes the subsequent event whereby the company entered into a conditional contract to acquire the customer list of another community bank branch. Completion of this transaction remains subject to conditions precedent, and accordingly, no amounts have been recognised in the financial report as at 30 June 2025. Our opinion is not modified in respect of this matter.

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.



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

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.

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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

Jessica Ritchie
Lead Auditor