Annual Report 2026





Chittering Financial Services Limited

Community Bank
Bullsbrook-Ellenbrook and Bindoon

ABN 77 096 017 506

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Chairman's Report

Dear Valued Investor

It is with great pleasure that I present this year's financials for Chittering Financial Services Ltd (CFS).

Banking revenue has stayed strong at $2,673,456 up from $2,311,063 in the last financial year. This is due to the continued increase of our customer base and returns on our lending and deposit accounts. Both Branch and Business Develop teams have exceeded growth targets which is most encouraging.

The Board is pleased to declare a fully franked dividend of 25c per share for the year ended 30th June 2026.

Although CFS has achieved good growth there is a lot of uncertainty and volatility in the m arket. T he B oard i s a ware that pressures will continue and will make every effort to retain margins. Our Management must be praised for keeping costs under control during tricky times.

There has been a continued strategy to increase our community funding and $118,056 has been contributed towards charitable projects and community groups.

Year	Dividend	Profit
Jun-17	-	-$ 44,538.00
Jun-18	-	$ 105,796.00
Jun-19	2c	$ 68,746.00
Jun-20	2c	$ 84,204.00
Jun-21	2c	$ 77,075.00
Jun-22	5c	$ 88,723.00
Jun-23	10c	$ 589,282.00
Jun-24	17c	$ 280,413.00
Jun-25	20c	$ 370,530.00
Jun-26	25c	$ 407,609.00

Year	Grants and Foundation
Jun-17	$18,649
Jun-18	$24,502
Jun-19	$32,409
Jun-20	$17,792
Jun-21	$12,066
Jun-22	$15,295
Jun-23	$128,602
Jun-24	$201,239
Jun-25	$161,591
Jun-26	$384,057

We have also invested in the long-term future with $266,000 invested into our Community Enterprise Foundation. The Board has been pleased with the response received from groups our branches have supported. We look forward to this support continuing.

Our Business Development Manager, David Blyton and Community Engagement Advisor, Stacey Teti have actively supported a wide range of groups and projects. Amongst them were the Swan in Pride Event in Guildford demonstrating our genuine commitment to inclusion. Boots and Burn Evening with the Moora Chamber of Commerce. Our regular slot at the Taste of Chittering allowing us to meet with the local community. Joining the celebrations at the Bindoon Christmas Grotto showing off our Community Bank Christmas Tree. Finally, ZaZa's Legacy a project we are pleased to support providing 38 LifeVac units to public schools across our area.

Customer numbers, lending enquiries and account openings continue to increase thanks to our proactive Branch teams. We intend continuing with an active marketing approach and raise awareness of Bendigo Bank and the Community Branch model as a point of difference.

The Community Bank Bullsbrook-Ellenbrook Branch was re-furbished in 2025 and it is our intention to give the Community Bank Bindoon a similar makeover in the coming months to give our customers a positive experience when visiting the Branch.

We have always had pride in our face-to-face customer contact and are proud of our Branch teams. Sincere thanks go to our dedicated team, many of whom have been with us for many



years. Our success has been achieved under the leadership of Senior Branch Manager, Allen Amor, Branch Manager Sascha Smith and Business Development Manager, David Blyton.



Thanks, must also go to our partners at Bendigo Bank who work with us to provide a strong corporate s trategy a nd range of p roducts. We m ust a lso m ention our Regional Manager, Colin Mendel who has given us his support throughout the year.

Thanks also to the board of dedicated directors Jeff Hollands, Adrian Clarke, Craig Seddon and Renae Piggott. Also special thanks to our Secretary, Nicolette Grundlingh who keeps us all in line and follows the rules. Hopefully, we can recruit some new directors in the next year to continue to strengthen our board further.

As always Chittering Financial Services still needs your ongoing support. Should you or your family require any banking or financial assistance please contact our friendly, helpful branch staff.

Graham Dore
Chair

Manager Report's

For the year ending 30 June 2026

Senior Branch Manager's Report

The year's performance of Chittering Financial Services Limited's Community Bank Bullsbrook-Ellenbrook and Bindoon branches is a source of great pride, and sharing these results is a pleasure.

The two branches have maintained a strong focus on driving operational excellence, pipeline conversion, and commercial growth. Key achievements delivered during this period include:

- Growth Targets Exceeded: Both branches consistently outperformed their 12-month growth plans, expanding the customer base and increasing market share in their respective communities. This delivered a net portfolio growth of 16.36% (just over $51 million), bringing total footings to more than $363 million, with home lending increasing by $14.8 million.
- Profitability Outperformance: Net profit results across both branches surpassed initial forecast expectations, reflecting rigorous cost discipline alongside strong revenue generation.
- Operational & Team Leadership: Enhanced operational workflows, proactive opportunity management, and high standards of service delivery enabled the branch teams to meet and exceed their key scorecard measures.

As customer numbers continue to rise, the commitment to local communities remains the core focus. With continued support, a remarkable milestone has been reached: contributing more than $1 million to local community projects and organisations.

The growing impact made locally is what matters most. Every milestone creates greater opportunities to invest back into the community through partnerships and meaningful engagement. Chittering Financial Services Limited has supported local communities with sponsorships, donations, and community grant contributions, benefiting numerous community groups and organisations.

As competitors shift their service offerings, a commitment to a customer-centric focus and approach has become increasingly appealing to consumers. This has reinforced a position as a trusted, growing, community-owned and operated business.

At the heart of this success are the people. The teams at the Bullsbrook-Ellenbrook and Bindoon branches continue to set a high standard for customer service. Thanks to the dedication and talent of this remarkable team, who have continued to embrace new learning opportunities and upskilling initiatives, tremendous development is being seen across all areas. Their adaptability, insight, and enthusiasm have elevated services and created a workplace culture rooted in care and capability. We also welcomed two new team members to the team.

Lastly, gratitude is extended to the Board of Directors for their invaluable support and guidance over the last financial year and into the next.

Warm regards

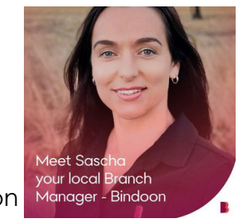


Allen Amor
Senior Branch Manager





Sascha Smith
Branch Manager - Bindoon



Business Development Manager's Report

It is a pleasure to present my report for the past financial year. In my role as Business Development Manager, our focus has been multi-faceted: driving new business acquisition through what has undoubtedly been a dynamic and challenging 12 months, while continuing to elevate our profile across the local community through purposeful engagement.

Navigating Market Dynamics & Driving Lending Growth

Over the past year, broader economic conditions have played a significant role in shaping our business outcomes:

Property Market Pressures - The year commenced with sustained growth in property values, intensified by historically low listing volumes across the greater Perth region. While this supported strong lending growth for our branches, it continued to present affordability barriers for first home buyers attempting to enter the market.

Interest Rate Environment & Retention - Consecutive rate decisions by the Reserve Bank created substantial opportunities to win market share by refinancing borrowers from other Banks seeking competitive terms. At the same time, it reinforced the need to be proactively supporting and safeguarding our existing customer base.

Expanding Networks & Community Collaboration

A key highlight this year has been turning referral generation into a consistent growth channel.

By actively fostering relationships with local people of influence, including accountants, real estate professionals, and business and community leaders, we have seen a noticeable uplift in quality referrals.

Working closely with our Community Engagement Advisor, Stacey Teti, we have seen increased business opportunity through our community investments, ensuring that the sponsorships and local initiatives we support deliver mutual, lasting value.

The Community Bank Difference

What sets us apart is our unique Community Bank Model, which directly fuels meaningful reinvestment back into our community.

Our continued success depends heavily on community advocacy—and there are no stronger advocates than our shareholders. I encourage each of you to champion our branch to your family, friends, and business networks. Sharing why choosing to bank locally matters makes a tangible difference to our shared prosperity.

My sincere thanks go to our Board of Directors for their steadfast guidance and encouragement throughout the year. Their strategic support provides the foundation that allows our team to grow from strength to strength.

Reflecting on the last 12 months, I am proud of what we have achieved in a demanding environment, and I look forward with optimism to building on this momentum in the year ahead.



David Blyton
Business Development Manager

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Director's Report

For the year ending 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:

Name:	Graham Dore
Title:	Non-executive director
Experience and expertise:	Prior to retiring to Australia Graham formed and ran a Self-Drive Vehicle Rental Company in 1989 in the UK (which is still operating). From 1980 to 1989 Graham was Managing Director of one of the largest motor parts distributors in the UK. Throughout his career he has always been included in finance and human resources. Graham is currently Treasurer of Swan Valley Community Centre, and Ellenbrook Community Radio.
Special responsibilities:	Chair, HR/Legal and Community Contributions Committees
Name:	Jeffrey Robert Hollands
Title:	Non-executive director
Experience and expertise:	Jeffrey is a retired Insurance Broker and currently a director for Community Broker Network Pty Ltd owned by ASX Listed Steadfast Ltd and Community Insurance Solutions Pty Ltd.
Special responsibilities:	Deputy Chair
Name:	Nicolette Joy Grundlingh
Title:	Non-executive director
Experience and expertise:	Nicolette is an Executive Administrator. Over a period of 30 years Nicolette has developed a range of business knowledge and skills which she adapts and applies to her role as Company Secretary. Working closely with the branch staff and directors she continues to focus on board governance and business management. Nicolette is the former Chair of CFS, has over 8 years of mortgage experience within banking and broker markets, over 4 years in large and domestic construction industries and been involved in community projects, volunteering in leadership programs within the Swan Valley region.
Special responsibilities:	Company Secretary, all Sub Committees
Name:	Adrian Clarke
Title:	Non-executive director
Experience and expertise:	Adrian is an Office Assistant/Bookkeeper. Adrian has over 30 years' experience in IT, 18 years of that was at Crown Casino. He has a Diploma of Business, Associate Diploma in IT and Certificate IV in Mental Health and Accounting and Bookkeeping. Adrian is a busy community volunteer, he is Treasurer of the Ellenbrook Lions Club, Treasurer of the Ellenbrook & Districts Residents and Ratepayers Association. Adrian is a director of Waterhall Super Pty Ltd. He is owner and manager of The Empty Shoe Box. Adrian in his spare time helps organise and run community events.
Special responsibilities:	Treasurer, Finance, Community Contributions, Safety & Marketing Committees
Name:	Craig Robert Seddon
Title:	Non-executive director
Experience and expertise:	Director of Westcourt Family Business Accountants. Company Secretary of Emu Nest Foundation. Fellow of the Chartered Accountants Australia and New Zealand. Chartered Tax Advisor (The Tax Institute of Australia). Bachelor of Business (major in Accounting & Finance).
Special responsibilities:	Nil

Name:	Renae Kristina Piggott
Title:	Non-executive director
Experience and expertise:	Renae is a Farm Management Consultant with AgAsset (Business Partner). A general member of the Australian Association of Agricultural Consultants and a 2024 Australian Grain Leader with Grain Growers Limited, Ranae currently operates as a cattle and sheep farmer at Serenity Hill View in Bindoon. Ranae holds a Bachelor of Agricultural Science, specializing in Animal Health and Science.
Special responsibilities:	Nil

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

Company secretary
The Company Secretary is Nicolette Joy Grundlingh. Nicolette was appointed to the position of Company Secretary on 2 December 2020.

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 $407,609 (30 June 2025: $370,530).

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 20 cents per share (2025: 17 cents)	99,742	84,781

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
At 30 June 2026, the company had approved plans to refurbish the Bindoon branch. The project remains in the layout planning stage, with an estimated cost of approximately $300,000 to $350,000 and anticipated completion in May or June 2027. As no refurbishment expenditure had been incurred or contractual commitment entered into at 30 June 2026, no amounts have been recognised in the financial statements.

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

	Board	
	Eligible	Attended
Jeffrey Robert Hollands	12	12
Nicolette Joy Grundlingh	12	12
Graham Dore	12	12
Adrian Clarke	12	9
Craig Robert Seddon	12	10
Renae Kristina Piggott	12	9

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.

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
Jeffrey Robert Hollands	3,000	-	3,000
Nicolette Joy Grundlingh	-	-	-
Graham Dore	2,500	-	2,500
Adrian Clarke	38,601	-	38,601
Craig Robert Seddon	4,000	500	4,500
Renae Kristina Piggott	-	-	-

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.

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 26 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



Graham Dore
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 Chittering Financial Services Limited

As lead auditor for the audit of Chittering 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.

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

Jessica Ritchie
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

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	7	2,626,233	2,294,661
Other revenue		47,225	69,615
Finance revenue		62,780	43,699
Total revenue		2,736,238	2,407,975
Employee benefits expense	8	(1,276,700)	(1,271,641)
Advertising and marketing costs		(15,297)	(8,951)
Occupancy and associated costs		(46,810)	(52,775)
System costs		(52,349)	(57,233)
Depreciation and amortisation expense	8	(189,904)	(128,172)
Finance costs		(17,205)	(20,537)
General administration expenses		(209,855)	(212,698)
Total expenses before community contributions and income tax expense		(1,808,120)	(1,752,007)
Profit before community contributions and income tax expense		928,118	655,968
Charitable donations and sponsorships expense	8	(384,057)	(161,591)
Profit before income tax expense		544,061	494,377
Income tax expense	9	(136,452)	(123,847)
Profit after income tax expense for the year		407,609	370,530
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		407,609	370,530
		Cents	**Cents**
Basic earnings per share	28	81.73	74.30
Diluted earnings per share	28	81.73	74.30

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

Statement of Financial Position as at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	10	112,225	287,280
Trade and other receivables	11	228,053	191,028
Investments	12	1,692,752	1,333,336
Total current assets		2,033,030	1,811,644
Non-current assets			
Property, plant and equipment	13	219,692	334,076
Right-of-use assets	14	97,615	137,822
Intangible assets	15	26,345	52,691
Deferred tax assets	9	74,067	53,055
Total non-current assets		417,719	577,644
Total assets		2,450,749	2,389,288
Liabilities			
Current liabilities			
Trade and other payables	16	179,660	386,989
Borrowings	17	36,085	34,775
Lease liabilities	18	68,168	65,500
Current tax liabilities	9	59,965	32,180
Employee benefits	19	176,435	156,579
Total current liabilities		520,313	676,023
Non-current liabilities			
Borrowings	17	25,829	61,924
Lease liabilities	18	67,359	123,480
Employee benefits	19	16,387	17,943
Provision		65,292	62,216
Total non-current liabilities		174,867	265,563
Total liabilities		695,180	941,586
Net assets		1,755,569	1,447,702
Equity			
Issued capital	20	495,209	495,209
Retained earnings		1,260,360	952,493
Total equity		1,755,569	1,447,702

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

Statement of Changes in Equity for the year ended 30 June 2026

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		495,209	666,744	1,161,953
Profit after income tax expense		-	370,530	370,530
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	370,530	370,530
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(84,781)	(84,781)
Balance at 30 June 2025		495,209	952,493	1,447,702
Balance at 1 July 2025		495,209	952,493	1,447,702
Profit after income tax expense		-	407,609	407,609
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	407,609	407,609
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(99,742)	(99,742)
Balance at 30 June 2026		495,209	1,260,360	1,755,569

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

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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)		2,878,144	2,576,775
Payments to suppliers and employees (inclusive of GST)		(2,701,139)	(2,063,329)
Interest received		62,780	43,699
Interest and other finance costs paid		(5,929)	(6,846)
Income taxes paid		(129,679)	(59,676)
Net cash provided by operating activities	27	104,177	490,623
Cash flows from investing activities			
Investment in term deposits		(47,739)	(123,700)
Payments for property, plant and equipment	13	(1,646)	(69,786)
Payments for intangible assets		(26,345)	(26,345)
Proceeds from disposal of property, plant and equipment		-	17,272
Net cash used in investing activities		(75,730)	(202,559)
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		(34,785)	11,341
Interest and other finance costs paid		(8,201)	(10,762)
Dividends paid	22	(99,742)	(84,781)
Repayment of lease liabilities		(60,774)	(52,823)
Net cash used in financing activities		(203,502)	(137,025)
Net increase/(decrease) in cash and cash equivalents		(175,055)	151,039
Cash and cash equivalents at the beginning of the financial year		287,280	136,241
Cash and cash equivalents at the end of the financial year	10	112,225	287,280

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

Notes to the Financial Statements

Note 1. Reporting entity

The financial statements cover Chittering 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 1/19 Binda Place**,** Bindoon WA 6502.

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 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'sassessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant tothe 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 ofFinancial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information ispresented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss andother 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.

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

Note 3. Material accounting policy information (continued)

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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.

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.

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

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. The current term of the franchise agreement is scheduled to expire in July 2027 and includes a final five year renewal option. The directors have a reasonable expectation this option will be exercised, extending the franchise agreement to July 2032.

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. Restatement of comparatives

Reclassification of investment account
During the year, the directors reviewed the classification of financial assets under AASB 107 *Statement of Cash Flows* and AASB 9 *Financial Instruments*. The Sandhurst Trustees Investment account, previously classified as cash and cash equivalents, has been reclassified as a current investment measurement at fair value through profit or loss. This reflects its withdrawal restrictions, unitised structure, and exposure to fair value changes.

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

- Cash and cash equivalents decreased and investments increased by $252,523 at 30 June 2025
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

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

Note 7. Revenue from contracts with customers

	2026 $	2025 $
Margin income	2,392,846	2,069,058
Fee income	111,050	116,385
Commission income	122,337	109,218
	2,626,233	2,294,661

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 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.

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

Note 8. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	1,032,309	1,065,562
Non-cash benefits	29,398	18,440
Superannuation contributions	124,836	121,776
Expenses related to long service leave	22,030	26,222
Other expenses	68,127	39,641
	1,276,700	1,271,641

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	62,484	9,412
Plant and equipment	13,266	7,277
Motor vehicles	40,280	39,869
	116,030	56,558
Depreciation of right-of-use assets		
Leased land and buildings	47,528	45,268
Amortisation of intangible assets		
Franchise fee	26,346	26,346
	189,904	128,172

Note 8. Expenses (continued)

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	118,057	63,136
Contribution to the Community Enterprise Foundation™	266,000	98,455
	384,057	161,591

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 Community Enterprise Foundation™ (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.

Note 9. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	157,464	128,180
Movement in deferred tax	(21,012)	(4,333)
Aggregate income tax expense	136,452	123,847
Prima facie income tax reconciliation		
Profit before income tax expense	544,061	494,377
Tax at the statutory tax rate of 25%	136,015	123,594
Tax effect of:		
Non-deductible expenses	437	253
Income tax expense	136,452	123,847

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	497	(18,916)
Employee benefits	48,205	43,631
Accrued expenses	995	1,080
Provision for lease make good	16,323	15,554
Lease liabilities	33,882	47,245
Right-of-use assets	(24,404)	(34,455)
Prepayments	(1,431)	(1,084)
Deferred tax asset	74,067	53,055

Note 9. Income tax (continued)

	2026 $	2025 $
Provision for income tax	59,965	32,180

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.

Note 10. Cash and cash equivalents

	2026 $	2025 $
Cash on hand	59	59
Cash at bank and on hand	112,166	287,221
	112,225	287,280

Note 11. Trade and other receivables

	2026 $	2025 $
Trade receivables	222,319	165,361
Other receivables	-	21,334
Prepayments	5,734	4,333
	5,734	25,667
	228,053	191,028

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	228,053	191,028
Less prepayments, included in trade and other receivables	(5,734)	(4,333)
	222,319	186,695

Note 11. Trade and other receivables (continued)

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 12. Investments

	2026 $	2025 $
Current assets		
Term deposits	1,100,209	1,052,470
Managed funds	563,293	252,523
Rental Bank Guarantee (Ellenbrook)	29,250	28,343
	1,692,752	1,333,336

Note 13. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	195,386	301,282
Less: Accumulated depreciation	(78,916)	(122,328)
	116,470	178,954
Plant and equipment - at cost	68,847	282,148
Less: Accumulated depreciation	(29,150)	(230,831)
	39,697	51,317
Motor vehicles - at cost	161,120	161,120
Less: Accumulated depreciation	(97,595)	(57,315)
	63,525	103,805
	219,692	334,076

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 $	Motor vehicles $	Total $
Balance at 1 July 2024	11,826	10,171	95,519	117,516
Additions	176,540	48,423	54,329	279,292
Disposals	-	-	(6,174)	(6,174)
Depreciation	(9,412)	(7,277)	(39,869)	(56,558)
Balance at 30 June 2025	178,954	51,317	103,805	334,076
Additions	-	1,646	-	1,646
Depreciation	(62,484)	(13,266)	(40,280)	(116,030)
Balance at 30 June 2026	116,470	39,697	63,525	219,692

Note 13. Property, plant and equipment (continued)

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:

Plant and equipment	5 years
Leasehold improvements	5 years
Motor vehicle	4 years

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

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

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

Note 14. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	378,265	370,944
Less: Accumulated depreciation	(280,650)	(233,122)
	97,615	137,822

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	172,833
Remeasurement adjustments	10,257
Depreciation expense	(45,268)
Balance at 30 June 2025	137,822
Remeasurement adjustments	7,321
Depreciation expense	(47,528)
Balance at 30 June 2026	97,615

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 18 for more information on lease arrangements.

Note 15. Intangible assets

	2026 $	2025 $
Franchise fee	421,848	421,848
Less: Accumulated amortisation	(395,503)	(369,157)
	26,345	52,691

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

	Franchise fee $
Balance at 1 July 2024	79,037
Amortisation expense	(26,346)
Balance at 30 June 2025	52,691
Amortisation expense	(26,346)
Balance at 30 June 2026	26,345

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)	July 2027

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

Note 16. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	33,539	5,034
Other payables and accruals	146,121	381,955
	179,660	386,989

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	179,660	386,989
Less statutory payables, included in trade and other payables	(80,750)	(81,291)
	98,910	305,698

Note 17. Borrowings

	2026 $	2025 $
Current liabilities		
Chattel mortgage	39,381	40,665
Unexpired interest	(3,296)	(5,890)
	36,085	34,775
Non-current liabilities		
Chattel mortgage	26,964	66,355
Unexpired interest	(1,135)	(4,431)
	25,829	61,924

Note 18. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	68,168	65,500
Non-current liabilities		
Land and buildings lease liabilities	67,359	123,480

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	188,980	231,546
Remeasurement adjustments	7,321	10,257
Lease interest expense	8,201	10,762
Lease payments - total cash outflow	(68,975)	(63,585)
	135,527	188,980

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lese term end date used in calculations
Bindoon Branch	4.29%	5 years	Nil	N/A	30 June 2027
Ellenbrook Branch	5.39%	5 years	Nil	N/A	31 October 2028

Note 19. Employee benefits

	2026 $	2025 $
Current liabilities		
Annual leave	75,319	79,049
Long service leave	101,116	77,530
	176,435	156,579
Non-current liabilities		
Long service leave	16,387	17,943

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 20. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	498,709	498,709	498,709	498,709
Less: Equity raising costs	-	-	(3,500)	(3,500)
	498,709	498,709	495,209	495,209

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

Rights attached to issued capital

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

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

Note 20. Issued capital (continued)

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").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). As at the date of this report, the company had 286 shareholders (2025: 292 shareholders).

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 21. Capital management

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

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

Note 21. Capital management (continued)

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 22. 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 20 cents per share (2025: 17 cents)	99,742	84,781

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	392,734	358,749
Franking credits (debits) arising from income taxes paid (refunded)	129,679	59,676
Franking debits from the payment of franked distributions	(33,247)	(25,691)
	489,166	392,734
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	489,166	392,734
Franking credits (debits) that will arise from payment (refund) of income tax	59,965	32,180
Franking credits available for future reporting periods	549,131	424,914

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 23. Financial risk management

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

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

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

Note 23. 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.

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

	2026 $	2025 $
Financial assets		
Cash and cash equivalents (note 10)	112,225	287,280
Trade and other receivables excluding prepayments (note 11)	222,319	186,695
Investments (note 12)	1,129,459	1,080,813
	1,464,003	1,554,788
Financial assets at fair value through profit or loss		
Managed funds (note 12)	563,293	252,523
Financial liabilities		
Trade and other payables less statutory payments to the ATO (note 16)	98,910	305,698
Borrowings (note 17)	61,914	96,699
Lease liabilities (note 18)	135,527	188,980
	296,351	591,377

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

Accounting policy for financial instruments

Financial assets
Classification
The company measures its financial assets at amortised cost.

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

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

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

The company's financial assets measured at FVTPL comprise investments in listed entities 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.

Note 23. Financial risk management (continued)

Financial liabilities

Classification
The company measures its financial liabilities at amortised cost.

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

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 subject to movements in market interest rates. The company held cash and cash equivalents of $112,225 and term deposits of $1,100,209 at 30 June 2026 (2025: cash and cash equivalents $287,280 and term deposits $1,333,336).

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.

2026	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables less statutory payments to the ATO	98,910	-	-	98,910
Lease liabilities	69,756	73,356	-	143,112
Borrowings	36,085	25,829	-	61,914
Total non-derivatives	204,751	99,185	-	303,936

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables less statutory payments to the ATO	305,698	-	-	305,698
Lease liabilities	67,025	137,253	-	204,278
Borrowings	34,775	61,924	-	96,699
Total non-derivatives	407,498	199,177	-	606,675

Note 24. Key management personnel disclosures

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

Jeffrey Robert Hollands
Nicolette Joy Grundlingh
Graham Dore
Adrian Clarke
Craig Robert Seddon
Renae Kristina Piggott

Compensation
Key management personnel compensation comprised the following.

	2026 $	2025 $
Short-term employee benefits	10,400	16,950
Post-employment benefits	1,248	1,949
	11,648	18,899

Note 25. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 24.

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 paid a sponsorship to Ellenbrook Lions Club where Adrian Clarke is the treasurer. Total amount provided was:	-	105
The company provided a sponsorship to Bindoon Volunteer Bush Fire Brigade where John Williams is the treasurer. Total amount provided was:	3,820	500
The company paid a sponsorship to Ellenbrook Community Radio where Graham Dore is the treasurer. Total amount provided was:	6,875	-

Note 26. 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 $
Audit services		
Audit or review of the financial statements	9,250	9,030
Other services		
Taxation advice and tax compliance services	2,009	265
General advisory services	6,095	5,065
Share registry services	7,162	7,556
	15,266	12,886
	24,516	21,916

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit after income tax expense for the year	407,609	370,530
Adjustments for:		
Depreciation and amortisation	189,903	128,172
Net gain on disposal of non-current assets	-	(11,098)
Lease liabilities interest	8,201	10,762
Change in operating assets and liabilities:		
Increase in trade and other receivables	(37,025)	(29,631)
Decrease in income tax refund due	-	36,324
Increase in deferred tax assets	(21,012)	(4,331)
Increase in other operating assets	(311,676)	-
Decrease in trade and other payables	(180,984)	(76,375)
Increase in provision for income tax	27,785	32,178
Increase in employee benefits	18,300	31,163
Increase in other provisions	3,076	2,929
Net cash provided by operating activities	104,177	490,623

Note 28. Earnings per share

	2026 $	2025 $
Profit after income tax	407,609	370,530
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	498,709	498,709
Weighted average number of ordinary shares used in calculating diluted earnings per share	498,709	498,709

Director's Declaration

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	81.73	74.30
Diluted earnings per share	81.73	74.30

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

At 30 June 2026, the company had approved plans to refurbish the Bindoon branch. The project remains in the layout planning stage, with an estimated cost of approximately $300,000 to $350,000 and anticipated completion in May or June 2027. As no refurbishment expenditure had been incurred or contractual commitment entered into at 30 June 2026, no amounts have been recognised in the financial statements.

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 BEN'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.

Independent Audit Report

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

Graham Dore
Chair

28 September 2026

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 members of Chittering Financial Services Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Chittering 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 Chittering 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
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afs@afsbendigo.com.au
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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

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

Jessica Ritchie
Lead Auditor

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Bendigo Bank

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