

Community Bank
South Grafton



Clarence Valley Community Financial Services Ltd

ABN: 35 093 945 370

Financial Statements

For the year ended 30 June 2025

Clarence Valley Community Financial Services Ltd

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For the year ended 30 June 2025

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Clarence Valley Community Financial Services Ltd

Directors' report

30 June 2025

The Directors present their report together with the financial statements on Clarence Valley Community Financial Services Ltd for the financial year ended 30 June 2025.

Information on Directors

The names of each person who has been a Director during the year and to date of the report are:

- Peter James - Resigned July 2024
- Derek Alden
- Mervyn Smidt
- Anthony Wade
- Karen Toms
- Tania Williams - Resigned December 2024
- Allan Morgan
- Stephanie Haines
- Patrick Murray - Appointed August 2024

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company other than those disclosed in note 26.

Directors' Meetings

Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held.

Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Peter James - Resigned July 2024	1	1
Derek Alden	11	10
Mervyn Smidt	11	10
Anthony Wade	11	10
Karen Toms	11	11
Tania Williams - Resigned December 2024	6	4
Allan Morgan	11	10
Stephanie Haines	11	8
Patrick Murray - Appointed August 2024	10	7

Clarence Valley Community Financial Services Ltd

Directors' report

30 June 2025

Meetings of Directors (continued)

Directors' Benefits

Other than those stated in note 26, 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

Director	2024	Changes during the year	2025
	\$	\$	\$
Peter James	6,001	-	6,001
Derek Alden	1	-	1
Mervyn Smidt	15,455	-	15,455
Anthony Wade	3,001	500	3,501
Karen Toms	2,500	-	2,500
Tania Williams	-	-	-
Allan Morgan	500	-	500
Stephanie Haines	-	-	-
Patrick Murray	-	5,000	5,000

Principal activities

The principal activities of Clarence Valley Community Financial Services Ltd during the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$272,160 (2024: \$342,215).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of \$32,817 was paid during the year as recommended in last year's report.
- As at 30 June 2025. No dividend has been declared in respect of FY25. However, subsequent to 30 June 2025, the board will declare and pay a dividend in respect of financial performance in FY25 to its shareholders.

Clarence Valley Community Financial Services Ltd

Directors' report

30 June 2025

Options

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

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Future developments and results

The Company will continue its policy of providing banking services to the community.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of Directors and Officers

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the Company

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

Clarence Valley Community Financial Services Ltd

Directors' report

30 June 2025

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 (RSD Audit) for audit and non-audit services provided during the year are set out in **Note 27** to the accounts. The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 on page 6 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



Karen Toms

Chair

Dated: 18/9/25

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Clarence Valley Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Clarence Valley Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit



Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 18 September 2025

Clarence Valley Community Financial Services Ltd

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.a	1,406,432	1,446,909
Finance income	7	54,715	59,912
Other income	6.b	54,679	32,069
Total income		1,515,826	1,538,890
Employee benefit expenses	8.a	(868,775)	(790,403)
Depreciation and amortisation	9	(28,856)	(29,248)
Finance expenses	7	(5,991)	(6,362)
Administrative expenses		(109,835)	(144,023)
Occupancy expenses		(25,374)	(24,805)
IT expenses		(25,785)	(20,522)
ATM expenses		(14,764)	(14,016)
Total expense		(1,079,380)	(1,029,379)
Profit before charitable donations and sponsorships		436,446	509,511
Charitable donations and sponsorships	10	(69,668)	(57,210)
Profit before income tax		366,778	452,301
Income tax	11	(94,618)	(110,086)
Profit for the year		272,160	342,215
Other Comprehensive Income		212,771	92,047
Total comprehensive income for the year		484,931	434,262

The accompanying notes form part of these financial statements.

Clarence Valley Community Financial Services Ltd

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	340,189	562,256
Trade and other receivables	13	151,843	156,557
Other financial assets	14	2,583,517	2,081,247
Total Current assets		3,075,549	2,800,060
Non-current assets			
Right-of-use assets	16	166,265	182,210
Intangible assets	17	7,829	20,740
Deferred tax assets	18	37,237	34,505
Total Non-current assets		211,331	237,455
Total Assets		3,286,880	3,037,515
Liabilities			
Current liabilities			
Trade and other payables	19	48,776	56,932
Current tax liabilities	18	28,560	223,305
Employee benefits	8.b	156,121	144,838
Lease liabilities	16	13,057	12,132
Total Current liabilities		246,514	437,207
Non-current liabilities			
Deferred tax liabilities	18	5,506	5,506
Employee benefits	8.b	6,746	5,745
Lease liabilities	16	177,328	190,385
Total Non-current liabilities		189,580	201,636
Total		436,094	638,843
Net Assets		2,850,786	2,398,672
Equity			
Share capital	21	418,708	418,708
Retained earnings	23	1,888,979	1,649,636
Reserves	22	543,099	330,328
Total Equity		2,850,786	2,398,672

The accompanying notes form part of these financial statements.

Clarence Valley Community Financial Services Ltd

Statement of Changes in Equity For the year ended 30 June 2025

2024	Share Capital	Retained earnings	Reserves	Total equity
	\$	\$	\$	\$
Opening balance	418,708	1,381,268	238,281	2,038,257
Profit for the year	-	342,215	-	342,215
Other comprehensive income for the year	-	-	92,047	92,047
Dividends provided for or paid	-	(73,847)	-	(73,847)
Closing balance	418,708	1,649,636	330,328	2,398,672

2025	Share Capital	Retained earnings	Reserves	Total
	\$	\$	\$	\$
Opening balance	418,708	1,649,636	330,328	2,398,672
Profit for the year	-	272,160	-	272,160
Other comprehensive income for the year	-	-	212,771	212,771
Dividends provided for or paid	-	(32,817)	-	(32,817)
Closing balance	418,708	1,888,979	543,099	2,850,786

The accompanying notes form part of these financial statements.

Clarence Valley Community Financial Services Ltd

Statement of Cash Flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities:			
Receipts from customers		1,438,545	1,450,780
Payments to suppliers and employees		(1,110,073)	(1,049,498)
Dividends received		27,280	32,069
Interest received		54,715	59,912
Interest paid		(5,991)	(6,362)
Income taxes paid		(292,095)	(9,431)
Net cash flows from operating activities	24	112,381	477,470
Cash flows from investing activities:			
Purchase of intangible asset		-	-
Purchase of property, plant and equipment		-	-
Purchase of investments		(289,499)	(137,841)
Net cash used in investing activities		(289,499)	(137,841)
Cash flows from financing activities:			
Repayment of Leases		(12,132)	(9,479)
Dividends Paid		(32,817)	(73,847)
Net cash used in financing activities		(44,949)	(83,326)
Net increase/(decrease) in cash and cash equivalents		(222,067)	256,303
Cash and cash equivalents at beginning of year		562,256	305,953
Cash and cash equivalents at end of financial year		340,189	562,256

The accompanying notes form part of these financial statements.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

1. Introduction

These financial statements and notes represent those of Clarence Valley Community Financial Services Ltd (the Company) as an individual entity. Clarence Valley Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 11 September 2025.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 26.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

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

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

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements
For the year ended 30 June 2025

3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a. Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that the management of Clarence Valley Community Bank Branch:

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.

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

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

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

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

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

b. 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share.	Margin, commission and fee income.	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

b. Revenue from contracts with customers (continued)

ii. Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

iii. Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

iv. Fee income

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

v. 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.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

b. Revenue from contracts with customers (continued)

vi. Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

vii. Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

viii. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

c. Other revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company in the past.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

d. Employee benefits

i. Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

d. Employee benefits (continued)

ii. Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

e. Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

f. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

g. Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

h. Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

i. Property, Plant & Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Plant & equipment	Straight Line	20 years

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

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

j. Leases

At inception of a contract, the Company assesses whether a lease exists.

i. Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis.

1) Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

k. Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

i. Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

iii. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Asset Class	Method	Useful Life
Franchise fee	Straight line	5 years

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

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

I. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (ii) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

i. Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

I. Financial instruments (continued)

ii. Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

I. Financial instruments (continued)

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

m. Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

m. Impairment (continued)

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2025.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

n. Issued Capital

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

o. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

p. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

4. Significant Accounting Judgements, Estimates & Assumptions

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Balance	Judgement
Revenue	Whether revenue is recognised over time or at a point in time

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Balance	Judgement
Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

4. Significant Accounting Judgements, Estimates & Assumptions (continued)

c. Key judgments - lease classification

The Company is a party to one lease arrangement in relation to their premises. Review of the minimum lease payments, lease term, other terms and conditions in the lease have caused the lease to be classified as operating leases and therefore there are no entries on the statement of financial position in relation to these assets or lease liability.

5. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk and price risk.

a. 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.

b. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

5. Financial risk management (continued)

c. Market risk (continued)

i. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

6. Revenue and other income

a. Disaggregation of revenue from contracts with customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025	2024
	\$	\$
Revenue		
Revenue from contracts with customers	1,406,432	1,446,909
Disaggregation of Revenue From Contracts With Customers		
Margin Income	1,286,942	1,331,975
Revenue from contracts with customers	66,958	67,359
Commission Income	52,532	47,575
	1,406,432	1,446,909

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

b. Other revenue

The Company generates other sources of revenue as outlined below.

	2025	2024
	\$	\$
Other income	54,521	32,069
Gain on disposal of related assets and liabilities	158	-
	54,679	32,069

Clarence Valley Emerging Enterprises, a wholly-owned subsidiary of Clarence Valley Community Financial Services Limited, was voluntarily deregistered on the 24th of June 2025. As a result, Clarence Valley Community Financial Services Limited made a gain on the disposal of related entities for the year ending 30 June 2025 and under the requirements of AASB 10 consolidated financial statements, the accounts are no longer prepared on a consolidated basis.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

7. Finance income and expenses

a. Finance income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2025	2024
	\$	\$
Interest from term deposits	54,715	59,912

b. Finance expenses

Finance costs are recognised as expenses when incurred using the effective interest rate.

	2025	2024
	\$	\$
Interest expense	5,991	6,362

Finance costs are recognised as expenses when incurred using the effective interest rate.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

8. Employee benefits

a. Employee benefits expenses

Profit before income tax from continuing operations includes the following specific expenses:

	2025	2024
	\$	\$
Employee benefit expenses		
Salary and wage expenses	746,111	688,775
Superannuation contributions	83,191	73,826
Other employee benefit expenses	39,473	27,802
	868,775	790,403

b. Provisions for employee benefits

Current	2025	2024
	\$	\$
Long service leave		
Provision Long Service Leave	85,697	71,862
Annual leave		
Provision Annual Leave	70,424	72,976
	156,121	144,838

Non-current	2025	2024
	\$	\$
Long service leave	6,746	5,745

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

9. Depreciation & Amortisation Expense

	2025	2024
	\$	\$
Depreciation of Non-current Assets		
Property, plant and equipment	-	348
	-	348
Depreciation of Right-of-use Assets		
Leased buildings	15,945	15,989
	15,945	15,989
Amortisation of Intangible Assets		
Franchise fees	12,911	12,911
	12,911	12,911
Total	28,856	29,248

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(i), 3(j) and 3(k) for details).

10. Community Investments & Sponsorship

a. Community Investments & Sponsorship

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 and grants).

Description	2025	2024
	\$	\$
Community Investments & Sponsorship		
Direct Sponsorship and grant payments	69,668	57,210

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

11. Income tax expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

a. The major components of tax expense comprise:

Description	2025 \$	2024 \$
Components of Tax Expense		
Current tax expense	96,863	119,810
Deferred tax expense	(2,733)	(3,989)
Over provisions of prior years	488	(5,735)
Total	94,618	110,086

b. Reconciliation of income tax to accounting profit:

	2025 \$	2024 \$
Profit for the year		
Profit for the year	272,160	342,215
Add back income tax expense		
Current tax expense	94,618	110,086
Total Profit for the year	366,778	452,301
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	91,695	113,075
Add / (Less) tax effect of:		
Under provision for income tax in prior year	1	(5,735)
Less imputation credits	2,923	3,436
Temporary differences	2,732	3,871
Movement in deferred tax	(2,733)	(3,989)
Change in company tax rate	-	(572)
Income tax attributable to the entity	94,618	110,086
Income tax expense	94,618	110,086
Weighted average effective tax rate (%)	26	24

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

12. Cash and cash equivalents

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

	2025	2024
	\$	\$
Cash & Cash Equivalents	340,189	562,256
Total	340,189	562,256

13. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	151,843	156,557
Total	151,843	156,557

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

14. Financial Assets

	2025	2024
	\$	\$
At Amortised Cost		
Term Deposits	1,201,947	1,027,901
Total	1,201,947	1,027,901
At FVTOCI		
Listed investments	1,143,672	812,988
Unlisted investments	237,898	240,358
Total	1,381,570	1,053,346
Total Financial Assets	2,583,517	2,081,247

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

15. Property, plant and equipment

a. Property, plant and equipment details

	2025			2024		
	\$			\$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
	\$	\$	\$	\$	\$	\$
Leasehold Improvements	99,823	(99,823)	-	99,823	(99,823)	-
Furniture & Fittings	59,016	(59,016)	-	59,016	(59,016)	-
	158,839	(158,839)	-	158,839	(158,839)	-

b. Movement in Carrying Amounts

	Plant and equipment	Leasehold improvements	Total
	\$	\$	\$
2025			
Opening balance	-	-	-
Additions	-	-	-
Depreciation	-	-	-
Closing balance	-	-	-

	Plant and equipment	Leasehold improvements	Total
	\$	\$	\$
2024			
Opening balance	348	-	-
Additions	-	-	-
Depreciation	(348)	-	-
Closing balance	-	-	-

c. Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

d. Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

16. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio includes buildings.

a. Option to Extend or Terminate

The option to extend or terminate are contained in the property lease of the Company. All extension or termination options are only exercisable by the company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

b. AASB 16 Amounts Recognised in the Statement of Financial Position

	2025			2024		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
	\$	\$	\$	\$	\$	\$
Buildings	239,175	(72,910)	166,265	239,175	(56,965)	182,210
	239,175	(72,910)	166,265	239,175	(56,965)	182,210

c. Movements in Carrying Amounts

2025	Leased Buildings	Total
	\$	\$
Opening balance	182,210	182,210
Depreciation expense	(15,945)	(15,945)
Net carrying amount	166,265	166,265

d. AASB 16 Amounts Recognised in the Statement of Profit and Loss and Other Comprehensive Income

	2025	2024
	\$	\$
Depreciation expense related to right-of-use assets	15,945	15,989
Interest expense on lease liabilities	5,991	6,362
	21,936	22,351

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

17. Intangible assets

a. Intangible asset details

	2025			2024		
	\$			\$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
	\$	\$	\$	\$	\$	\$
Franchise Fee	64,556	(56,727)	7,829	64,556	(43,816)	20,740
TOTAL	64,556	(56,727)	7,829	64,556	(43,816)	20,740

Movement in Carrying Amounts

	Franchise Fees	Total
	\$	\$
2025		
Opening balance	20,740	20,740
Amortisation	(12,911)	(12,911)
Closing balance	7,829	7,829

	Franchise Fees	Total
	\$	\$
2024		
Opening balance	33,651	33,651
Amortisation	(12,911)	(12,911)
Closing balance	20,740	20,740

18. Tax assets and liabilities

a. Current Tax

	2025	2024
	\$	\$
Income tax payable	28,560	223,305
Total	28,560	223,305

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

18. Tax assets and liabilities (continued)

b. Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	2024	Recognised in P&L	2025
	\$	\$	\$
Deferred Tax Assets			
- Expense accruals	7,191	(1,292)	5,899
- RoU assets and lease liabilities from AASB 16	5,077	953	6,030
- Employee provisions	37,646	3,071	40,717
Total deferred tax assets	49,914	2,732	52,646
Deferred Tax Liabilities			
- Finance assets carried through FVTOCI	(20,915)	-	(20,915)
- Accrued income	-	-	-
- Property, plant & equipment	-	-	-
Total deferred tax liabilities	(20,915)	-	(20,915)
Net deferred tax assets	28,999	2,732	31,731

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

18. Tax assets and liabilities (continued)

b. Deferred Tax (continued)

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	2023	Recognised in	
	\$	P&L	Formula
		\$	\$
Deferred Tax Assets			
- Expense accruals	-	7,191	7,191
- RoU assets and lease liabilities from AASB 16	3,450	1,627	5,077
- Employee provisions	36,741	905	37,646
Total deferred tax assets	40,191	9,723	49,914
Deferred Tax Liabilities			
- Financial assets carried at FVTOCI	(20,915)	-	(20,915)
Total deferred tax liabilities	(20,915)	-	(20,915)
Net deferred tax assets/(liabilities)	19,276	9,723	28,999

19. Trade and other payables

	2025	2024
	\$	\$
Trade and other payables	48,776	56,932
	48,776	56,932

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

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

20. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 3.04%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

a. Lease Portfolio

The company's lease portfolio includes:

Lease	Input
South Grafton	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in December 2020. The lease has two further five-year extension options available.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

b. Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 \$	2024 \$
Current	(13,057)	(12,132)
Non-current	(177,328)	(190,385)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows.

Description	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 Years	Total
30 June 2025					
Lease payments	18,667	39,031	63,047	103,523	224,268
Finance charges	(5,610)	(9,972)	(11,313)	(6,988)	(33,883)
Net present values	13,057	29,059	51,734	96,535	190,385

30 June 2024

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

20. Lease Liabilities (continued)

b. Lease Liabilities (continued)

Description	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 Years	Total
Lease payments	18,123	37,894	61,211	125,163	242,391
Finance charges	(5,991)	(10,810)	(12,842)	(10,147)	(39,790)
Net present values	12,132	27,084	48,369	115,016	202,601

c. Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

There were no expenses relating to short term leases.

21. Issued Capital

a. Issued Capital

	2025		2024	
	No.	\$	No.	\$
Ordinary shares - fully paid	418,708	418,708	418,708	418,708

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

b. Share capital movements

	2025	2024
	\$	\$
Fully paid ordinary shares:		
At the beginning of the reporting period	418,708	418,708
At the end of the reporting period	418,708	418,708

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

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

22. Reserves

	2025	2024
	\$	\$
FVOCI reserve	543,099	330,328

a. FVOCI reserve

The FVOCI reserve records movements in the fair value and gain or loss on disposal of financial assets designated as FVOCI.

23. Retained Earnings

	2025	2024
	\$	\$
Balance at the beginning of the period	1,649,636	1,381,268
Profit for the year	272,160	342,215
Dividends paid	(32,817)	(73,847)
Total	1,888,979	1,649,636

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025 \$	2024 \$
Profit for the year	484,931	342,215
Add / (less) non-cash items:		
Depreciation	15,945	16,337
Amortisation	12,911	12,911
Fair Value (increase)/decrease	(212,771)	-
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	4,714	23,702
(Increase) / decrease in prepayments and other assets	-	(19,831)
(Increase) / decrease in deferred tax asset	(2,732)	(9,724)
Increase / (decrease) in trade and other payables	(8,156)	(4,648)
Increase / (decrease) in current tax liability	(194,745)	110,379
Increase / (decrease) in other liabilities	-	2,509
Increase / (decrease) in provisions	12,284	3,620
Cash flows from operations	112,381	477,470

25. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Description	Note	2025 \$	2024 \$
Financial Assets			
Cash and cash equivalents	12	340,189	562,256
Trade and other receivables	13	151,843	156,557
Term Deposits	14	1,201,947	1,027,901
Total		1,693,979	1,746,714
Financial Liabilities			
Trade and other payables	19	48,776	56,932
Lease liabilities	20	190,385	202,517
Total		239,161	259,449

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

26. Related Parties

a. Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

b. Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

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

c. Other Related Parties

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

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

26. Related Parties (continued)

d. Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Small Maxwell Pty	Accounting / Share Registry Services	30,943

e. Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

f. Other Key management Transactions

There have been no other transactions with key management or related parties other than those described above.

27. Auditor's Remuneration

The appointed auditor of Clarence Valley Community Financial Services Ltd for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,600	6,200
Total	6,600	6,200
Non-Audit Services		
Preparation of the financial statements	2,650	2,500
Other non-audit services	1,920	1,800
Total	4,570	4,300
Total auditor's remuneration	11,170	10,500

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

28. Dividends

a. Dividends declared or paid

The following dividends were provided for in the prior year and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows. As per the disclosure in the director's report on page 3, no dividend has been declared during FY25.

	Number	2025 \$	Number	2024 \$
The following dividends were declared and paid:				
Fully franked ordinary dividends	418,708	32,817	418,708	73,847

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

29. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025	2024
Profit attributable to ordinary shareholders (\$)	272,160	342,215
Weighted average number of ordinary shares (Number)	418,708	418,708
Basic and diluted earnings per share (Cent)	65	82

30. Events occurring after the reporting date

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

31. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 15(c).

The Company has no other commitments requiring disclosure.

In the opinion of the directors, the Company did not have any contingencies requiring disclosure at 2025 (2024: None).

32. Statutory information

The registered office and principal place of business of the Company is:

Clarence Valley Community Financial Services Limited

Level 1, 50 Victoria Street, Grafton, NSW.

The principal places of business are:

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

32. Statutory information (continued)

62 Skinner Street, South Grafton, NSW.

33. Fair value measurement

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

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

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

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

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

The Company measures the following assets and liabilities at fair value on a recurring basis:

- listed & unlisted investments

a. Fair value hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

33. Fair value measurement (continued)

a. Fair value hierarchy (continued)

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Listed Investments	1,143,672	-	-	1,143,672
Unlisted investments	237,898	-	-	237,898
	1,381,570	-	-	1,381,570
2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Listed investments	812,988	-	-	812,988
Unlisted investments	240,358	-	-	240,358
	1,053,346	-	-	1,053,346

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

b. Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Clarence Valley Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2025

33. Fair value measurement (continued)

b. Valuation Techniques (continued)

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Clarence Valley Community Financial Services Ltd

Directors' Declaration
For the year ended 30 June 2025

In the Directors opinion:

In accordance with a resolution of the directors of Clarence Valley Community Financial Services Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - giving 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; and
 - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
3. The information disclosed in the attached consolidated entity disclosure statement, on page 48 is true and correct.

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



Karen Toms
Chair

Dated: 18/9/25

Clarence Valley Community Financial Services Limited

Consolidated entity disclosure statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Clarence Valley Community Financial Services Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Clarence Valley Emerging Enterprises, a previously wholly-owned subsidiary of Clarence Valley Community Financial Services Limited, was voluntarily deregistered meaning that as at 30 June 2025, Clarence Valley Community Financial Services Limited is not a consolidated entity.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLARENCE VALLEY COMMUNITY FINANCIAL SERVICES LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Clarence Valley Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Clarence Valley 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 and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (iii) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (iv) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

RSD Audit

Chartered Accountants

A handwritten signature in purple ink, appearing to read 'Mahesh Silva', with a long horizontal stroke extending to the right.

Mahesh Silva

Partner

Bendigo

Dated: 18 September 2025