

Annual Report 2025

Clifroy Limited

Community Bank
Clifton Hill-North Fitzroy

ABN 31 114 604 358

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Chairman's report

For year ending 30 June 2025

Dear shareholders,

Consolidating our business, positioning for growth

2024-25 saw your Board consolidating the community bank's governance, management, financial position and community contributions while investing in growth strategies. In an environment of falling interest rates and increased competition, we will need to expand our customer and banking business base even just to maintain our profitability, dividends to shareholders and investment in our community.

The tightness of the banking market and falling interest rates saw our revenue fall by 7.1% compared to 2023-24, though we still managed to maintain our total banking book at around \$300m.

Increased investment in staffing, however, saw our overall expenditure rise by 27.5%, resulting in a more modest profit of \$187k (after tax and after community contributions) compared to \$357k in the previous year.

While slightly lower than 2023-24, our community contributions were still substantial, at \$924k, and we will soon announce almost \$2m investment in four projects focussed on building or upgrading transitional accommodation for people facing homelessness – a major achievement, of which you Board is most proud.

We were pleased to be able to invest in a terrific upgrade to our banking premises, and have also been able to increase the dividend to shareholders from 5c to 10c per share this year.

Lower interest rates are good for borrowers, not so good for self-funded retirees, and have a negative impact on banking margins. We will need to work a lot harder to maintain our revenue and profitability, which can only be achieved by attracting more customers.

To this end, we have engaged a business development consultant who will work with management, our community partners and key people in our community to grow our business.

As flagged in last year's report, our strategic focus remains:

- 1) Leveraging our community partnerships to increase our customer base and revenue. We will be expecting funded community partners to be more active in referring members supporters and stakeholders to their community bank. We need new business to be able to maintain the level of funding made available to community organisations, and will need your help to do this.
- 2) Better communicating our story. Our social enterprise has provided almost \$4 million in funding to local community organisations, and we need to leverage that story to motivate younger people in particular to switch to their community bank. We are publishing a book that tells the community bank's story from its modest beginnings in 2006 as a part of our 20-year anniversary celebrations early next year.

Acknowledging our Board and staff

Your Directors work hard to build the Community Bank Clifton Hill-North Fitzroy.

I want to thank them all for their efforts: - Ro Roberts, Daisy Chiumburu, Jenny Farrar, Peter Hille OAM, Sean Rooney James Sinclair and Zhedi Wu - all of whom are very active across our community and with key partner organisations.

Thanks also to our Board Associate Chris Shields, who is an active participant in our work.

Chairman's report (continued)

Our Branch Manager David and our staff – Lee, Filippo, Elie, Simon, Nuran and Mark - continue to provide great service to our customers and community. We look forward to their ongoing contribution.

Finally, thank you - our shareholders, customers and partners - for your continuing support of this important social enterprise. While returning a strong dividend, your Community Bank Clifton Hill-North Fitzroy is also making a real difference for so many members of our community.

Once again, I appeal to you to help us grow our business by referring your friends and neighbours to David Fielder, our Branch Manager: David.Fielder@bendigoadelaide.com.au or 03 9482 9040.

A handwritten signature in black ink, appearing to read 'Graeme Russell', with a stylized flourish at the end.

Graeme Russell
Chairperson

Manager's report

For year ending 30 June 2025

Dear Shareholders, Customers and Community Groups,

Another year has been and gone, it seems like only yesterday that I walked through the doors for the first time, October marked my three years of service and to say that time has flown, is an understatement.

The Community Bank model is vital for ongoing in person banking services. We here at the Community Bank have doubled down, if you have been into the Branch lately, you may have noticed some changes. In May we embarked on giving our little Branch the facelift it deserved, we now have a modern, up to date and most importantly, safer space to work in. This change is not only a commitment to in person banking services, but also a commitment to Clifton Hill/ North Fitzroy community for years to come.

I'm proud to say the business remains healthy, in the last twelve months we have seen considerable growth in our Home Lending portfolio. This is due to my dedicated Lending Team, Nuran and Simon. Both are working extremely hard to provide the best possible service, in the most important purchase, a person can make. We've also seen a rise in our Business Banking products, which has been a focus of Bendigo Bank proper.

After two years of what seemed like constant change, the last twelve months has seen stability within my Team. I'd like to take this opportunity to thank my Frontline Team of Elie, Mark and Filippo, my Lending Team of Nuran and Simon and Lee who leads the Community Engagement side. All of you are vital to the continuing success of our Community Bank and I couldn't do this without you.

My Team and I are ready to serve, whether the customer requires guidance through our digital pathways, or feels more comfortable in conducting business face to face.

In closing, I would like to thank you, our shareholders, along with local business, our customers and the Board for the continued support and belief in the Community Bank model.

David Fielder
Branch Manager
0403 130 283
david.fielder@bendigoadelaide.com.au

Bendigo and Adelaide Bank report

For year ending 30 June 2025

This year marks another significant chapter in our shared journey, one defined by **adaptation, collaboration, and remarkable achievements**. I'm immensely proud of our collective progress and the unwavering commitment demonstrated by our combined networks.

We began 2025 with a renewed focus on **model evolution**, a top priority that guided our decisions and initiatives throughout the year. This involved navigating the Franchising Code and broader regulatory changes to the **Franchise Agreement**. Thanks to the network's proactive engagement and cooperation, we successfully reviewed the agreement, and the necessary changes were implemented smoothly.

Beyond the operational successes, I want to highlight the **invaluable contributions** our Community Banks continue to make to their local communities. The dedication and commitment to supporting local initiatives remain a cornerstone of our combined success and a source of immense pride for Bendigo Bank.

In FY25, more than \$50m was invested in local communities, adding to a total of and \$416m since 1998. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your resilience, adaptability, and unwavering belief in our vision have been instrumental in our success. You are an integral part of the Bendigo Bank Community Banking family.

Your continued support is vital, and the results we've achieved together in 2025 underscore the continuing relevance and importance of the Community Bank model.

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits.

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1,500+ volunteer Directors, 1,700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and Directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formally certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

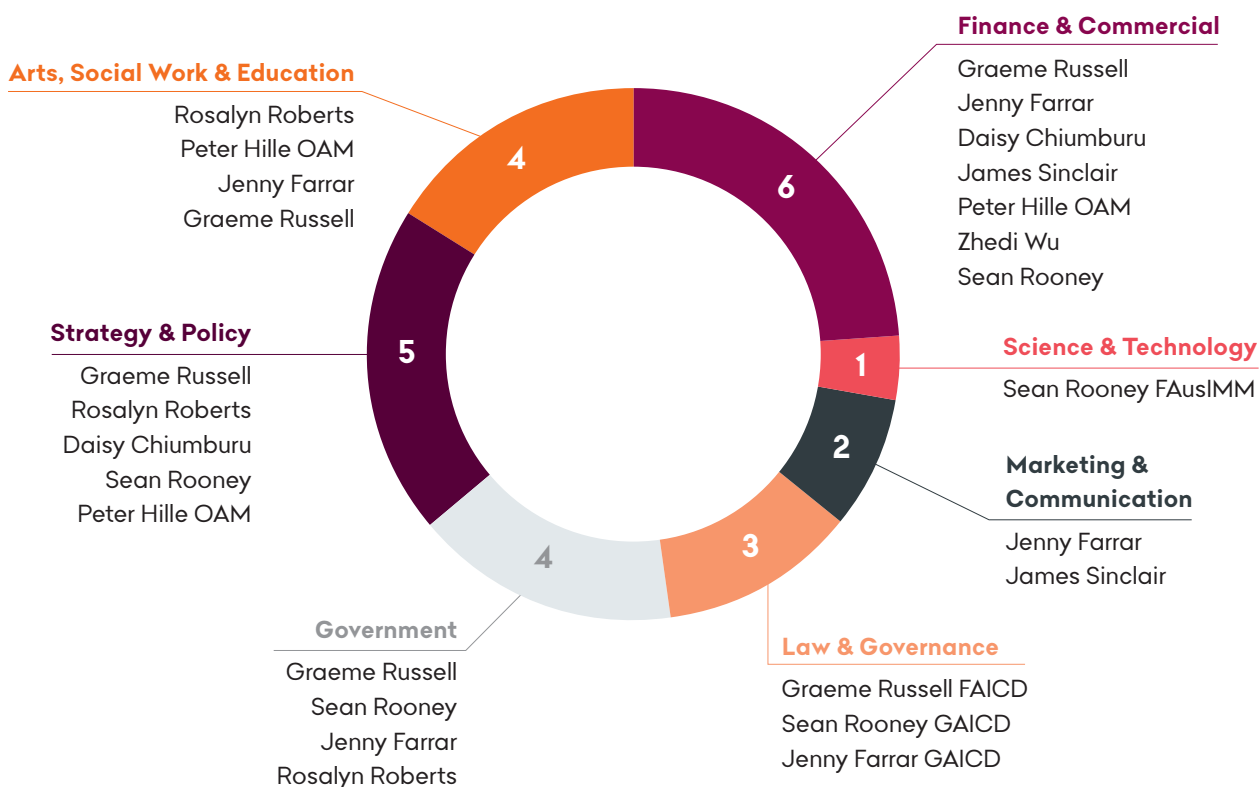
Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

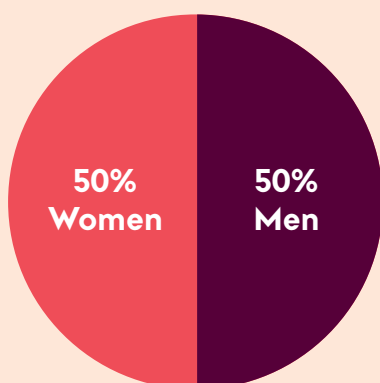
Community Bank National Council

Board profile

Board Skills

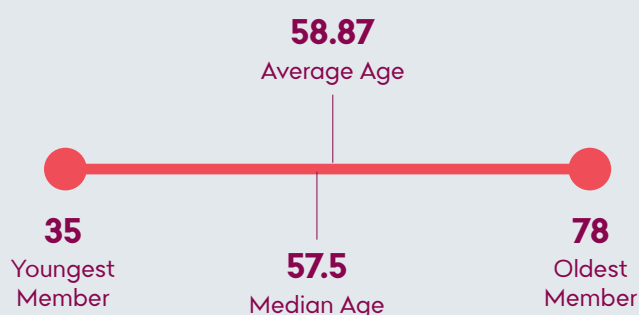


Gender Diversity



There is an equal split of genders (50% women, 50% men) in the Clifroy Board. This exceeds Australian Publicly Listed Companies and meets the Australian Government target of 50%.

Age Diversity

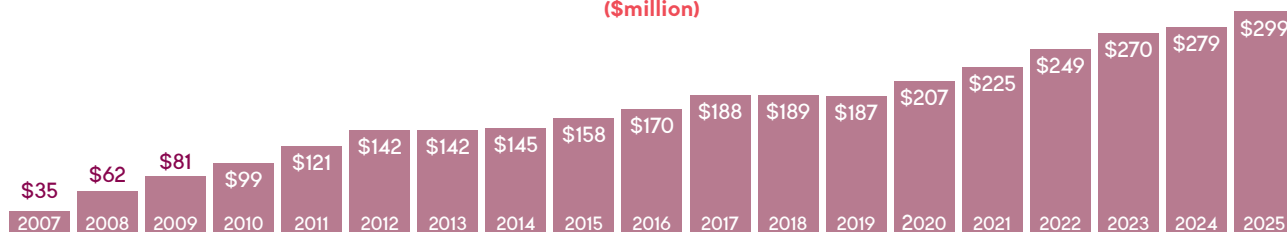


37.5% of the Board is under 50.

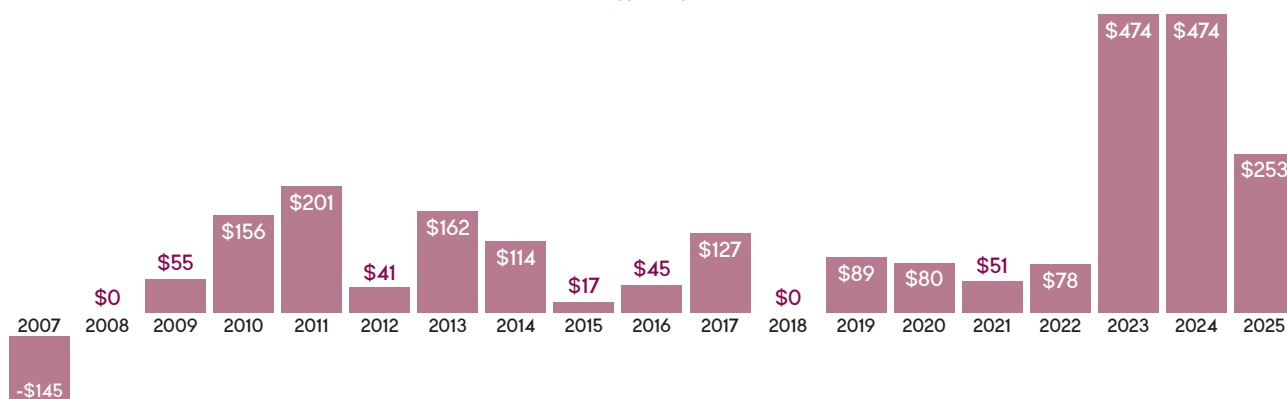
Performance summary

1 July 2006 to 30 June 2025

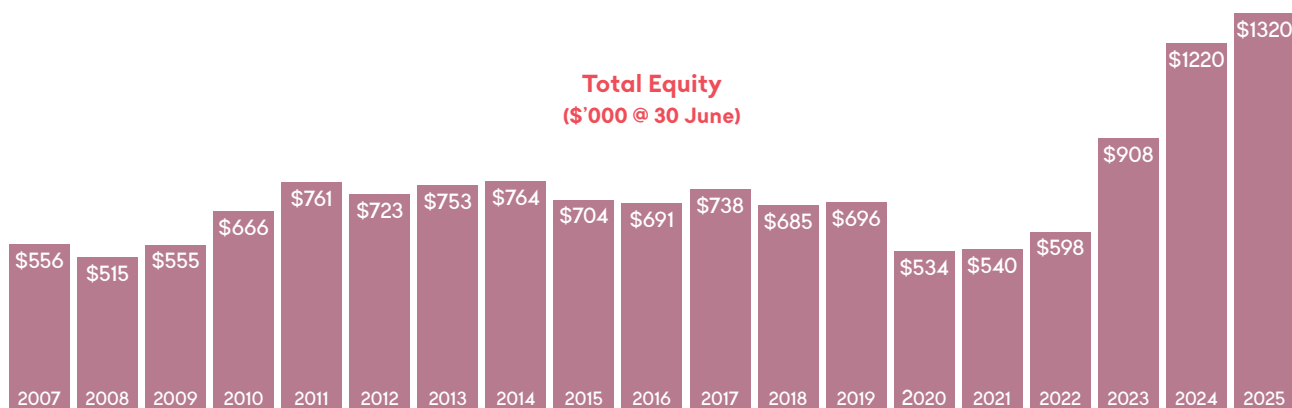
Total Business (Loans/Deposits/Wealth & Other Business)
(\$million)



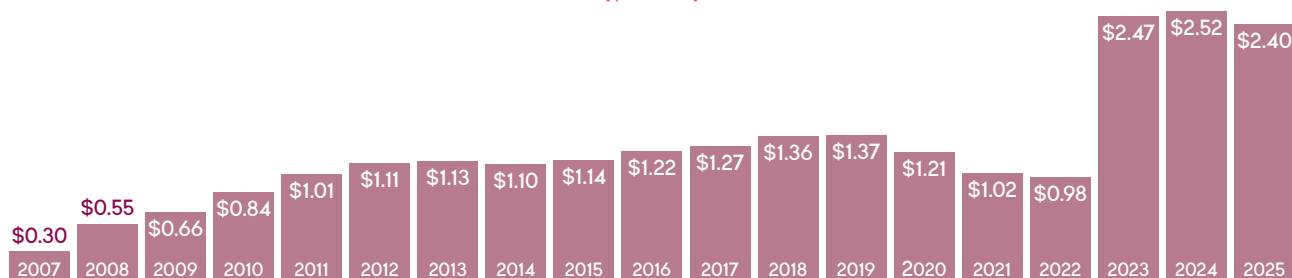
Pre Tax Profit/Loss
(\$'000)



Total Equity
(\$'000 @ 30 June)

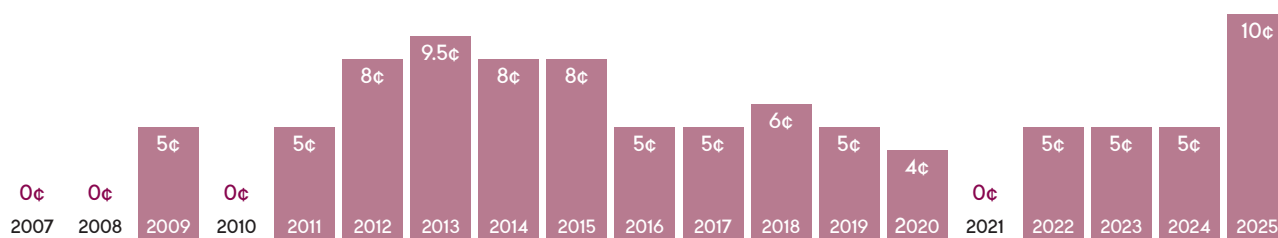


Total Revenue
(\$million)

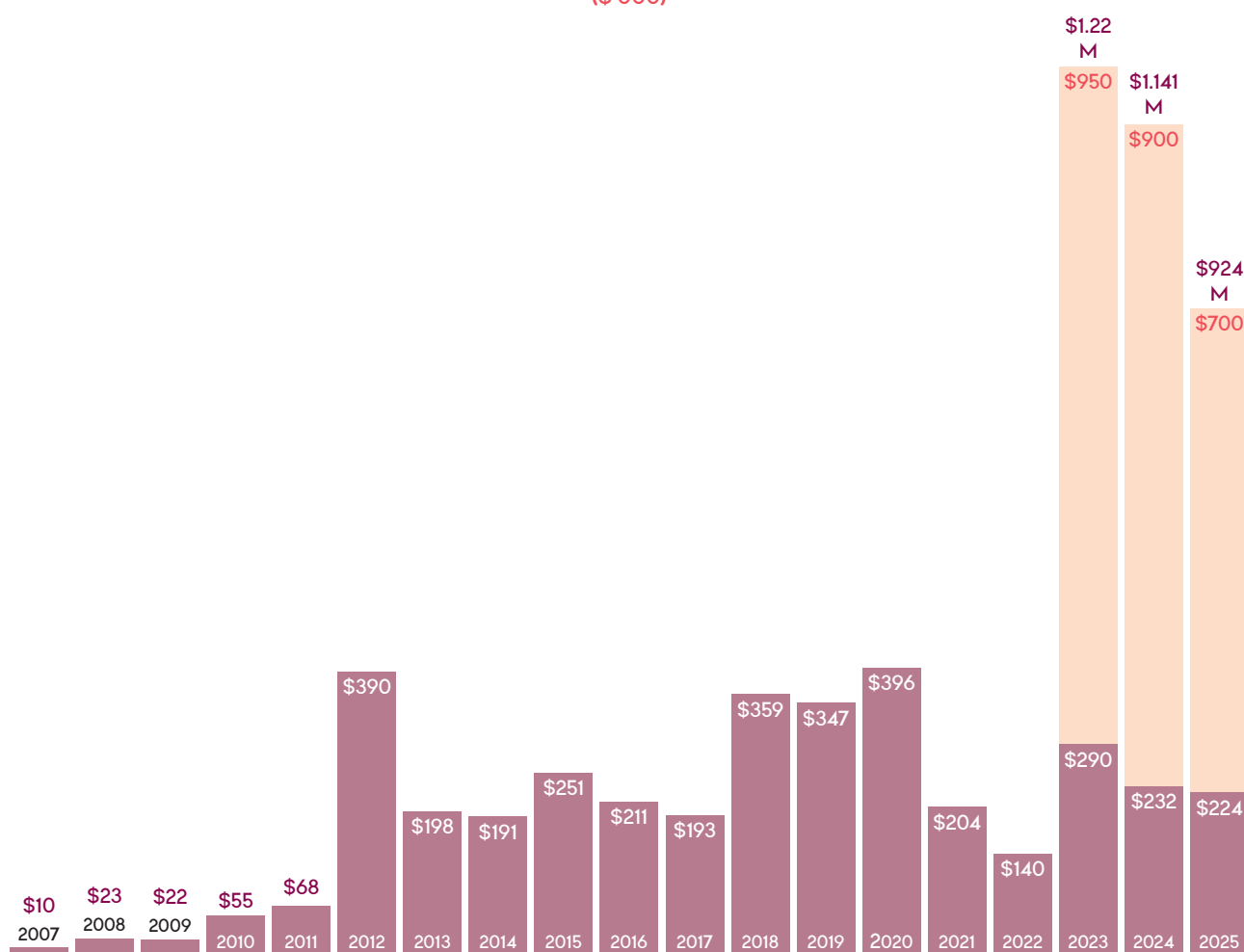


Performance summary (continued)

Shareholder Dividends (Cents per share; Fully franked from 2015)



Community Contributions (\$'000)



CEF funding

Community engagement report

Big on community 2024-25

Community Funding Model

As a 'profit-for-purpose' Community Bank, Clifroy's community partnerships model continues our commitment to sharing our profits to benefit community. It builds both economic and social capital through bi-annual funding rounds and ongoing networking and resource-sharing. This financial year we have provided grants to 62 local organisations and held two community networking events for community partner organisations and key stakeholders.

Jenny Farrar was elected as the Chair of the newly formed Business Development and Community Engagement Committee with Directors Sean Rooney, Peter Hille, Ro Roberts and James Sinclair. The committee has focussed on strengthening capacity with Board members to be able to confidently tell our story and refer business into the branch and documenting the history of the Community Bank Clifton Hill - North Fitzroy as we move into our 20th year of operation.

Our Community Liaison Officer Lee Chia managed the Community Bank's partnerships program via the new SmartyGrants platform in collaboration with the Community Enterprise Fund (CEF).

At the Board strategic planning session in May, we reviewed our current policies and procedures in regarding funding organisations with a stronger focus on partners to be proactive in telling our story and advocating for our Community Bank as an entity that supports community, with a view of realising new business opportunities to grow the book and therefore be able to invest more into the community. As a committee we are also investigating better ways to promote the business and engage with the business community. Watch this space!



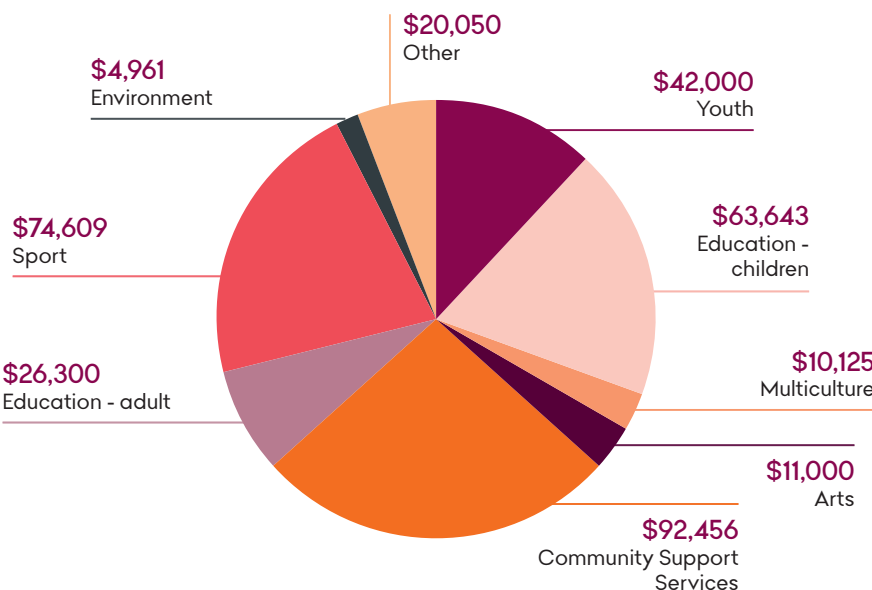
Jenny Farrar GAICD
Founding Director
Chair Business Development
and Community Engagement
Committee

Community Partnerships

This financial year, we provided \$345,144 in community partnership funding — an increase of \$103,436 from the previous year. We supported 62 Community Partners across 72 partnerships, up from 49 organisations in the same period last year.

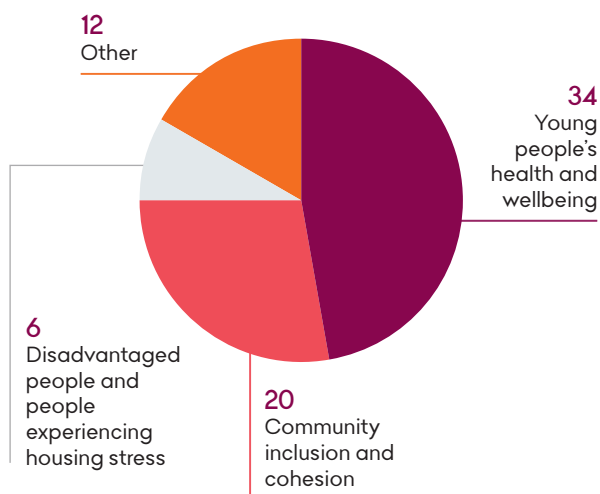
See table of Sponsorships and Grants supporting local community organisations on page 12. We continued to focus on partnering with organisations who run programs to support, youth, disadvantage and building community capacity.

Partnerships of funded organisations by their purpose

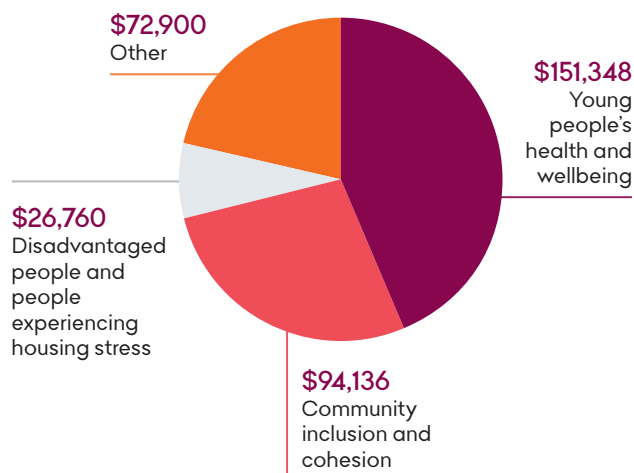


Community engagement report (continued)

Partnerships across our key priorities areas:



Total Partnership Dollars(\$) by priority



Some highlights included partnering with community gardens and neighbourhood houses including Tram project at the Carlton North Neighbourhood Learning Centre (\$30k), the Yalinguth First Nations Local History project, Aboriginal Housing Victoria NAIDOC Week event and activities with scouts such as funding a battery at the 5th Brunswick Scout Group as part of the Charging Up our Sustainability project (\$10k). We appreciate and understand the significant role that local schools—from primary to secondary and higher education—play in supporting young people, the leaders of our future. We look forward to supporting the 150th anniversary of Fitzroy North Primary School and the 25th anniversary of the Yarra Pub Cricket Association.

I've enjoyed speaking at several events with a focus on explaining our story to hopefully prompt members of our community to back us and try banking with us – after all, by investing with us you are investing in our community.

Together all funded programs have ensured inclusion in community activities particularly for those experiencing barriers across all priority groups. Our community partnerships have increased opportunities for local agencies to work together to multiply community benefit outcomes.

The Board has further committed \$700k Funds into the Community Enterprise Foundation making a total of just over \$2.4million committed to the Foundation and have invested close to \$4million into our robust community partnerships program to meet the existing and emerging needs within our community.

For the year our community partnerships programs continued to focus on:

- Young people's health and well-being
- Disadvantaged families experiencing housing stress
- Activities that promote community inclusion and cohesion

Community support funding



Sponsorships and Grants supporting local community organisations in 2024-25

Community Group	Project	Amount
ARTS		
Alphington Community Centre	Alphington Open Studios	\$1,000
Gamelan DanAnda	Spring Concert - 8 September	\$1,000
The Boite (Vic) Inc	Portfolio	\$5,000
The Mercy Hub	Community Arts Program	\$2,000
The Yarra Voices	Empowering Young Voices: Essential Resources for Music Education	\$2,000
COMMUNITY SUPPORT SERVICES		
Span Community House	Sensitive santa program	\$250
Fitzroy Learning Network	40th birthday soiree fundraiser	\$500
Go Girls Foundation, Inc.	100KM Challenge tote bag merch	\$1,000
Rotary Club of Fitzroy	MS Swimathon	\$1,000
Alphington Community Centre	Thrift Seekers - Op Shop adventures on Melbourne's PT Network	\$2,000
Go Girls Foundation, Inc.	Go Girls Work Ready Program 2025 Graduation Luncheon	\$2,500
St Joseph's School	The Resilience Project, supporting families with Hampers/food etc at Christmas	\$3,740
North Carlton Railway Neighbourhood House	Food in Common - Community Connection & Food Sustainability	\$4,000
Footscape Inc.	Foot Care Kits	\$5,000
Span Community House Inc	Monthly community lunches	\$5,000
Ronald McDonald House Charities Vic & Tas	Room Sponsorship (Bedroom 2.19) & 1 x Group Volunteering Session at RMHC Vic & Tas North Fitzroy House	\$5,500
Fitzroy Learning Network	Fitzroy celebrates a new home for the Neighbourhood House	\$6,000
The Wellington Collingwood	Wellington Homework and Job Access Program	\$8,246
Carlton Neighbourhood Learning Centre	Tram refurb project	\$30,000
Open Table Inc	Open Pantry	\$5,720
St Mary's House of Welcome	Plant, Grow, Eat Program	\$7,000
Fitzroy Learning Network	Youth Engagement Program	\$5,000
EDUCATION - ADULT		
Two Square Pegs	Financial Literacy Workshop	\$1,000
Melbourne Polytechnic	Community Bank Clifton Hill - North Fitzroy Access & Support Scholarships	\$5,000
Belgium Avenue Neighbourhood House	Thriving Opportunities for Leadership, Entrepreneurship, Action and Projects (TO LEAP)	\$5,000
Melbourne Polytechnic	Community Bank Clifton Hill - North Fitzroy Access & Support Scholarships.	\$10,000
Carlton Neighbourhood Learning Centre	Thriving Together: All Abilities Revitalisation Project	\$5,300
EDUCATION - CHILDREN		
Batman Park Kindergarten	Fun Day	\$1,000
Clifton Street Children's Centre	Defibrillator	\$1,000
East Brunswick Kindergarten	Kindergarten fundraiser	\$1,000
Fitzroy North Primary School	Fete	\$1,000
Holy Spirit Primary School Thornbury	2025 School Fete	\$1,000
Richmond Toy Library Inc.	Empowering First Nations Through Play	\$1,500
Alphington Primary School	APS School Fair 2025	\$2,000

Community Group	Project	Amount
EDUCATION - CHILDREN (continued)		
Northcote High School	Raise Youth Mentoring	\$3,600
St. Joseph's School Collingwood	Looking smart, feeling smart!	\$4,240
Sacred Heart School	UBUNTU - I am, because we are!	\$5,000
Creative Bytes Inc	Creative Youth Coding Program	\$9,327
Collingwood Children's Farm	Farm Classroom	\$10,000
Abbotsford Primary School	Abbotsford PS One Ball Program	\$5,000
Collingwood College	Rhythm Hunters (Rhythm2Recovery)	\$2,824
Collingwood Toy Library	Stay and Play Sessions	\$1,000
Fitzroy North Primary School	2025 Fitzroy North Primary School Fete - 150th Year Anniversary	\$9,552
Pender's Grove Primary School	Sensory and well-being space	\$4,600
ENVIRONMENT		
Condell Growers and Sharers	Supporting Sustainable Community Connections in the Condell Garden	\$2,100
Fairfield Community Garden Inc.	The shared joy of gardening: increasing social engagement and reducing social isolation through shared gardening activities and learning	\$2,861
MULTICULTURE		
Aboriginal Housing Victoria	NAIDOC week event	\$1,000
Storyscape (Yalinguth Project)	Yalinguth First Nations Local History Project	\$9,125
OTHER		
SES Heidelberg	Wheeled Stretcher Carrier Mule	\$1,000
VicSES Heidelberg Unit	SES Scouts Day 2025 : Clifton Hill & Alphington Scouts and Guides	\$4,050
Fitzroy Victoria Bowling and Sports Club Inc	Planning Workshops to develop volunteer skills and plan for the future and member communication tool	\$5,000
Inner North Community Foundation	Inner North Report #3	\$10,000
SPORT		
Fitzroy Football Club	FFC Networking Event	\$600
Dennis Cricket Club	Switching leagues	\$1,000
Crusaders Cricket Australia	Crusaders Girls Outright Coaching Program	\$2,000
Parkville District Cricket Club	Improving community inclusion for young people and new Australians	\$3,000
Edinburgh Cricket Club Inc	Dual track: All-abilities and Women Involvement 35+	\$4,600
Fitzroy Junior Football Club	FJFC child safety, fitness and wellbeing program	\$6,000
Clifton Hill Cricket Club	SALT - Sport and Life Training Courses	\$7,500
Fitzroy Football Club	1) Respectful Relationships Training 2) First Nations Cultural Awareness Training 3) FFC Indigenous Playing jumpers (98) 4) Sports Psychologist	\$10,000
Northcote Junior Football Club	NJFC First Nations Jumper Project	\$10,000
Football Club Clifton Hill	GIRLS CAN FOOTBALL (WORKING TITLE)	\$10,000
Northcote Water Polo Club	Increasing Female Participation in Waterpolo	\$1,400
Yarra Pub Cricket Association	Yarra Pub Cricket Association/Bendigo Bank Clifton Hill Anniversary Year Partnership	\$9,800
Youlden Parkville Cricket Club	Building Community Leadership	\$4,500
Northside FC	Northside FC: a new football (soccer) club for women, girls and gender-diverse people in Melbourne's inner north	\$4,209
YOUTH		
Fitzroy Lions Soccer Club	Playing tops for Australian team photo shoot	\$1,000
Fitzroy Lions Soccer Club	Volunteers Empowerment & Inclusion Program	\$5,000
5th Brunswick Scout Group	Charging up our sustainability	\$10,000
GR8M8S Foundation	Toolangi Adventure Sports Camps (TASC)	\$10,000
Fitzroy Lions Soccer Club	FLSC - Volunteers Empowerment & Inclusion Program	\$10,000
Fitzroy Scout Group	Fitzroy Cub Scouts Equitable Access Project	\$6,000
Total partnerships		\$345,144

Directors' report

30 June 2025

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

Directors

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

Name:	Graeme Russell
Title:	Non-executive director
Experience and expertise:	Graeme Russell was Chief Executive Officer of industry funds Media Super and First Super, and a trustee director of JUST Super, TISS and Media Super. He currently chairs Manufacturing Industry Skills Alliance Ltd, which operates the national Manufacturing Jobs & Skills Council. He is a Board member and Chair of the Finance, Audit & Risk Management Committee of the Victorian Advocacy League for Individuals with Disability (VALID), and also a director of Super Benefits Administration Pty. Ltd. and chairs its Audit & Compliance Committee. Graeme served as Chief of Staff to a Victorian Government Minister, and held senior commercial management roles at Melbourne and Monash Universities, the Trade Union Training Authority, STA Travel and The Melbourne Times. Graeme was also a strategy consultant and Chartered Accountant in practice. Previous community service includes Member of the Independent Panel on Best Practice Union Governance, Trustee of the Sustainable Melbourne Fund, Foundation Chairperson of the Inner Metropolitan Regional Association of Councils and Councillor and Mayor of the City of Collingwood. Graeme is a Fellow of the Australian Institute of Company Directors, a Fellow of Chartered Accountants, Australia and New Zealand. He holds a Bachelor of Business and a Graduate Diploma in Applied Finance.
Special responsibilities:	Chairperson, Member of Business Development & Community Engagement Committee, Member of Finance, Audit & Risk Management Committee, Member of Governance & Operations Committee.
Name:	Rosalyn Mary Roberts
Title:	Non-executive director
Experience and expertise:	Now retired, Ro's qualifications include BA(Hons), MSW, DSW (Doctor of Social Work, 2015). Her professional life has covered roles of University Lecturer, Policy/Researcher, Local Government Human Services Coordinator/Planner, Consultant and Project Manager. As well as her employment skills in research, policy advocacy and operational management, she brings to her role as Deputy Chair of the Board a deep commitment to the Clifroy local area and knowledge of local networks and community needs. Ro's policy activism focusses on furthering diversity and inclusion. Currently she has local involvement as a member of Collingwood Neighbourhood House Community Choir and the Cooper Electorate Grandmothers for Refugees group.
Special responsibilities:	Deputy Chair of the Board. Member of Governance & Operations Committee, Member of Business Development & Community Engagement Committee.

Directors' report (continued)

Name:	Jenny Maree Farrar
Title:	Non-executive Director
Experience and expertise:	I have a great range of skills and experience in community engagement, campaigning, education and strategic planning. As a former Councillor and Mayor of the City of Yarra I was involved and developed solid relationships within our community, many not for profits, small and larger businesses. One of my legacies was the establishment of Business Advisory Group(s) for the purpose of engaging with SME's to large corporates. Skills I bring include: Marketing, communications and engagement, organising, planning, OHS and sound knowledge in industrial relations. Previously a member of the Council of Australasian Tribunals in my roles as a Panel member for the Victorian Government, Graduate of the Australian Institute of Company Directors (GAICD) and work within the financial services industry. BA - Mass Communications - Monash University. Occupation: Stakeholder Relationship Manager & Education Specialist - United Super Pty Ltd (Cbus Media Super).
Special responsibilities:	Chair of Business Development & Community Engagement Committee, Member of Finance, Audit & Risk Management Committee.
Name:	Daisy Chiumburu
Title:	Non-executive director
Experience and expertise:	Education: Certification of Specialisation in Strategy, Masters of Business Administration, Bachelor of Commerce (Finance, Marketing & Financial Planning). Employment Skills: superannuation, product governance, product development, product management, strategic and operational planning, retention. Community group: Women in Super Victorian Committee.
Special responsibilities:	Member of Finance, Audit & Risk Management Committee.
Name:	James Joshua Sinclair
Title:	Non-executive director
Experience and expertise:	James is a seasoned client relationship director within the Financial Services and Superannuation sector. Before joining his current organisation, Employment Hero, James' previous experience covers 10+ years in complex solution selling and relationship management across digital, engagement, BPO, member experience, compliance, and risk management solutions, with clients and prospects including the Big 4 banks, leading life insurers and superannuation funds, with demonstrable performance achieving sales quotas in a competitive and regulated environment. James is also the proud Non-Executive Director of a community-based organisation in Melbourne's Inner North, with a focus on empowering youth, homeless and the disadvantaged.
Special responsibilities:	Member of the Business Development & Community Engagement Committee.
Name:	Peter Raymond Hille
Title:	Non-executive director
Experience and expertise:	As a resident of Clifton Hill for 32 years I bring local knowledge and substantive networks. As a leader and Board Member at a range of local community organisations, I bring an understanding of corporate governance as well as an awareness of community needs and how such needs might be addressed. I am a Director of the Rotary Club of Fitzroy & Bowls Development Manager of Fitzroy Victoria Bowls Club. I was recently Chair of Youth Enterprise Hub (Inner North Youth Employment Network) & headed up working parties associated with Vocational Mentoring & Creative Industries Pathways for young people in the inner north. My professional background includes educational leadership, public speaking, a managerial role in financial services and HR Consultancy – each of these informs and supports my role as a Director of Clifroy Limited.
Special responsibilities:	Member of Business Development & Community Engagement Committee

Directors' report (continued)

Name:	Sean Martin Rooney
Title:	Non-executive director
Experience and expertise:	Sean is a geologist with post-graduate legal and management qualifications, Sean has had over 30 years of extensive high level government regulatory experience in the resources sector across multiple areas with the Victorian Government. He has extensive experience in governance, policy, regulatory reform, strategic reviews, trade, resource management and business development roles with a strong commercial focus. He is a Fellow of the Australian Institute of Mining and Metallurgy. He currently serves on the Committee for the Women in Mining Network (WIMNet) Victoria and was the former Treasurer. Sean is currently a Director of Resource Unicorns Capital an establishing fund aimed at finding and nurturing the next unicorns in the resources sector and Solarh2e which has been established to transform heavy haulage through electrification and decarbonisation. A Director for the Centre for Earth Resources and New Energy (CERNE) which is a co-working space for mining and energy juniors. He is also Director & Company Secretary, Community Bank Clifton Hill North Fitzroy. He is the Principal of GeoRooney & Associates currently working as a Project Director for Southern Innovation (an advanced manufacturing company specialising in scanning technology). Sean is the Membership Manager for Victoria and Tasmania for Austmine. The industry Association for mining equipment, technology and service companies. Sean has a Bachelor of Science in Geology and Physical Geography from Monash University, a Graduate Diploma in Energy and Resources Law from Melbourne University and a Graduate Certificate in Public Sector Management from Flinders University. Sean is a graduate and member of the Australian Institute of Company Directors.
Special responsibilities:	Company Secretary, Member of Governance & Operations Committee, Member of Business Development & Community Engagement Committee
Name:	Zhedi Wu
Title:	Non-executive director
Experience and expertise:	Zhedi is Head of Group Reporting at Bupa Asia Pacific. Her experience and skills include financial reporting, technical accounting, capital management and sustainability reporting. She is a member of Chartered Accountants Australia & New Zealand and holds a Bachelor of Commerce (Accounting and Finance).
Special responsibilities:	Chair of Finance, Audit & Risk Management Committee and Member of Governance & Operations Committee.

Company secretary

The Company Secretary is Sean Martin Rooney. Sean was appointed to the position of Company secretary on 21 November 2023.

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 \$186,684 (30 June 2024: \$356,696).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 5 cents)	86,701	43,351

Directors' report (continued)

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Eligible	Board Attended
Graeme Russell	8	5
Rosalyn Mary Roberts	8	8
Jenny Maree Farrar	8	7
Daisy Chiumburu	8	8
James Joshua Sinclair	8	8
Peter Raymond Hille	8	6
Sean Martin Rooney	8	8
Zhedi Wu	8	8

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' 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
Graeme Russell	1,000	-	1,000
Rosalyn Mary Roberts	-	-	-
Jenny Maree Farrar	7,001	-	7,001
Daisy Chiumburu	-	-	-
James Joshua Sinclair	-	-	-
Peter Raymond Hille	2,000	-	2,000
Sean Martin Rooney	-	-	-
Zhedi Wu	-	-	-
	-	-	-

Directors' report (continued)

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

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 23 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:

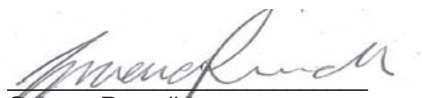
- all non-audit services have been reviewed by the Finance, Audit & Risk Management Committee to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out 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


Graeme Russell
Chair

25 September 2025

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Clifroy Limited

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

Clifroy Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	2,330,980	2,520,454
Finance revenue		42,652	34,228
Total revenue		<u>2,373,632</u>	<u>2,554,682</u>
Employee benefits expense	7	(819,279)	(613,960)
Advertising and marketing costs		(21,142)	(9,925)
Occupancy and associated costs		(46,122)	(43,168)
System costs		(33,332)	(24,861)
Depreciation and amortisation expense	7	(133,395)	(128,381)
Finance costs	7	(44,292)	(17,990)
General administration expenses		(99,325)	(100,254)
Total expenses before community contributions		<u>(1,196,887)</u>	<u>(938,539)</u>
Profit before community contributions and income tax expense		1,176,745	1,616,143
Charitable donations, sponsorships and grants expense	7	<u>(924,092)</u>	<u>(1,141,708)</u>
Profit before income tax expense		252,653	474,435
Income tax expense	8	<u>(65,969)</u>	<u>(117,739)</u>
Profit after income tax expense for the year		186,684	356,696
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>186,684</u>	<u>356,696</u>
		Cents	Cents
Basic earnings per share	25	21.53	41.14
Diluted earnings per share	25	21.53	41.14

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

Financial statements (continued)

Clifroy Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	791,427	1,572,052
Trade and other receivables	10	200,218	245,380
Investments	11	1,242,453	611,191
Current tax assets	8	24,875	716
Total current assets		<u>2,258,973</u>	<u>2,429,339</u>
Non-current assets			
Property, plant and equipment	12	278,102	46,912
Right-of-use assets	13	469,486	538,319
Intangible assets	14	7,886	20,793
Deferred tax assets	8	50,685	41,883
Total non-current assets		<u>806,159</u>	<u>647,907</u>
Total assets		<u>3,065,132</u>	<u>3,077,246</u>
Liabilities			
Current liabilities			
Trade and other payables	15	1,117,609	1,167,787
Lease liabilities	16	119,209	116,366
Employee benefits		37,736	41,005
Total current liabilities		<u>1,274,554</u>	<u>1,325,158</u>
Non-current liabilities			
Lease liabilities	16	446,366	513,785
Employee benefits		5,434	673
Lease make good provisions		16,688	15,523
Total non-current liabilities		<u>468,488</u>	<u>529,981</u>
Total liabilities		<u>1,743,042</u>	<u>1,855,139</u>
Net assets		<u>1,322,090</u>	<u>1,222,107</u>
Equity			
Issued capital	17	753,928	753,928
Retained earnings		<u>568,162</u>	<u>468,179</u>
Total equity		<u>1,322,090</u>	<u>1,222,107</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		753,928	154,834	908,762
Profit after income tax expense		-	356,696	356,696
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(43,351)	(43,351)
Balance at 30 June 2024		<u>753,928</u>	<u>468,179</u>	<u>1,222,107</u>
 Balance at 1 July 2024		 753,928	 468,179	 1,222,107
Profit after income tax expense		-	186,684	186,684
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(86,701)	(86,701)
Balance at 30 June 2025		<u>753,928</u>	<u>568,162</u>	<u>1,322,090</u>

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

Financial statements (continued)

Clifroy Limited Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,620,960	2,795,569
Payments to suppliers and employees (inclusive of GST)		(2,372,163)	(2,166,857)
Interest received		34,828	30,577
Income taxes paid		(211,265)	(115,040)
Net cash provided by operating activities	24	72,360	544,249
Cash flows from investing activities			
Investment in term deposits		(631,262)	(8,166)
Payments for property, plant and equipment		-	(2,209)
Payments for intangible assets		(13,348)	(13,348)
Net cash used in investing activities		(644,610)	(23,723)
Cash flows from financing activities			
Interest and other finance costs paid		(43,128)	(16,921)
Dividends paid	19	(86,701)	(43,351)
Repayment of lease liabilities		(78,546)	(100,846)
Net cash used in financing activities		(208,375)	(161,118)
Net increase/(decrease) in cash and cash equivalents		(780,625)	359,408
Cash and cash equivalents at the beginning of the financial year		1,572,052	1,212,644
Cash and cash equivalents at the end of the financial year	9	791,427	1,572,052

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Clifroy 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 101-103 Queens Parade, Clifton Hill VIC 3068.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Investments

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

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. 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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

For financial assets such as term deposits, management has assessed expected credit losses to be nil or not material, and therefore, no loss allowance is recorded. In cases 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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Notes to the financial statements (continued)

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

Note 5. Economic dependency

The company is economically dependent on its franchise agreement with Bendigo Bank to generate revenue. The current agreement operates for three terms, being the initial 5-year term which expires on 8 February 2026, with the option to renew for two additional 5-year terms. Bendigo Bank has expressed in writing its intention to renew the franchise agreement with the company. The directors intend to exercise the option to renew the franchise relationship for a 5-year term commencing 9 February 2026.

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.

Notes to the financial statements (continued)

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	2,189,566	2,384,698
Fee income	67,299	72,351
Commission income	74,115	63,405
	<u>2,330,980</u>	<u>2,520,454</u>

Accounting policy for revenue from contracts with customers

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

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

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

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	704,114	526,600
Non-cash benefits	7,092	4,946
Superannuation contributions	74,967	54,755
Expenses related to long service leave	6,144	1,330
Other expenses	26,962	26,329
	<u>819,279</u>	<u>613,960</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	35,103	44,996
Plant and equipment	2,292	3,275
Computers and software	290	290
	<u>37,685</u>	<u>48,561</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	82,803	66,877
<i>Amortisation of intangible assets</i>		
Franchise fee	2,151	2,158
Franchise renewal fee	10,756	10,785
	<u>12,907</u>	<u>12,943</u>
	<u>133,395</u>	<u>128,381</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Finance costs

	2025 \$	2024 \$
Lease interest expense	43,128	16,921
Unwinding of make-good provision	1,164	1,069
	<u>44,292</u>	<u>17,990</u>

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

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	224,092	241,708
Contribution to the Community Enterprise Foundation™	700,000	900,000
	<u>924,092</u>	<u>1,141,708</u>

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

The funds contributed to and held by the 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.

	2025 \$	2024 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	954,478	49,076
Contributions paid in	947,367	949,999
Grants paid out	(218,271)	(37,500)
Interest received	79,483	40,398
Management fees incurred	(47,364)	(47,495)
Balance available for distribution	<u>1,715,693</u>	<u>954,478</u>

Notes to the financial statements (continued)

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	74,771	125,344
Movement in deferred tax	(8,802)	(6,025)
Under/over provision in respect to prior years	-	(1,580)
Aggregate income tax expense	<u>65,969</u>	<u>117,739</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>252,653</u>	<u>474,435</u>
Tax at the statutory tax rate of 25%	63,163	118,609
Tax effect of:		
Non-deductible expenses	2,806	1,590
Other deductible expenses	-	(880)
	<u>65,969</u>	<u>119,319</u>
Under/over provision in respect to prior years	-	(1,580)
Income tax expense	<u>65,969</u>	<u>117,739</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	15,752	7,175
Employee benefits	10,793	10,420
Lease liabilities	141,394	157,538
Provision for lease make good	4,172	3,881
Accrued expenses	978	526
Income accruals	(5,033)	(3,077)
Right-of-use assets	(117,371)	(134,580)
Deferred tax asset	<u>50,685</u>	<u>41,883</u>
	2025 \$	2024 \$
Income tax refund due	<u>24,875</u>	<u>716</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Notes to the financial statements (continued)

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	791,427	1,572,052

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	162,509	219,391
Accrued income	20,133	12,309
Prepayments	17,576	13,680
	37,709	25,989
	200,218	245,380

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	1,242,453	611,191

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	569,533	333,532
Less: Accumulated depreciation	(333,532)	(298,429)
	236,001	35,103
Plant and equipment - at cost	136,250	103,376
Less: Accumulated depreciation	(94,214)	(91,922)
	42,036	11,454
Computer equipment - at cost	16,763	16,763
Less: Accumulated depreciation	(16,698)	(16,408)
	65	355
	278,102	46,912

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Computer Software \$	Total \$
Balance at 1 July 2023	80,099	12,520	645	93,264
Additions	-	2,209	-	2,209
Depreciation	(44,996)	(3,275)	(290)	(48,561)
Balance at 30 June 2024	35,103	11,454	355	46,912
Additions	236,001	32,874	-	268,875
Depreciation	(35,103)	(2,292)	(290)	(37,685)
Balance at 30 June 2025	<u>236,001</u>	<u>42,036</u>	<u>65</u>	<u>278,102</u>

Additions

During the financial year the company completed a re-fit at the Clifton Hill branch.

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	5 to 20 years
Plant and equipment	4 to 40 years
Computers and software	2 to 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 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	844,994	831,024
Less: Accumulated depreciation	<u>(375,508)</u>	<u>(292,705)</u>
	<u>469,486</u>	<u>538,319</u>

Notes to the financial statements (continued)

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

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

	Land and buildings \$
Balance at 1 July 2023	159,951
Remeasurement adjustments	445,245
Depreciation expense	(66,877)
Balance at 30 June 2024	538,319
Remeasurement adjustments	13,970
Depreciation expense	(82,803)
Balance at 30 June 2025	<u>469,486</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	10,756	10,756
Less: Accumulated amortisation	(9,442)	(7,291)
	<u>1,314</u>	<u>3,465</u>
Franchise renewal fee	53,782	53,782
Less: Accumulated amortisation	(47,210)	(36,454)
	<u>6,572</u>	<u>17,328</u>
	<u>7,886</u>	<u>20,793</u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	5,623	28,113	33,736
Amortisation expense	(2,158)	(10,785)	(12,943)
Balance at 30 June 2024	3,465	17,328	20,793
Amortisation expense	(2,151)	(10,756)	(12,907)
Balance at 30 June 2025	<u>1,314</u>	<u>6,572</u>	<u>7,886</u>

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

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)	February 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2026

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

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	817,441	1,133,247
Other payables and accruals	300,168	34,540
	<u>1,117,609</u>	<u>1,167,787</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	1,117,609	1,167,787
add other payables and accruals (net GST refundable from the ATO)	35,548	49,318
	<u>1,153,157</u>	<u>1,217,105</u>

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>119,209</u>	<u>116,366</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>446,366</u>	<u>513,785</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	630,151	280,942
Remeasurement adjustments	13,970	450,055
Lease interest expense	43,128	16,921
Lease payments - total cash outflow	(121,674)	(117,767)
	<u>565,575</u>	<u>630,151</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Clifton Hill Branch	7.50%	5 years	1 x 5 years	Yes	January 2031

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	867,013	867,013	867,013	867,013
Less: Equity raising costs	-	-	(26,384)	(26,384)
Less: return of capital (2008)	-	-	(43,351)	(43,351)
Less: return of capital (2010)	-	-	(43,350)	(43,350)
	<u>867,013</u>	<u>867,013</u>	<u>753,928</u>	<u>753,928</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Notes to the financial statements (continued)

Note 17. Issued capital (continued)

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

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- 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"). The base number is 276. As at the date of this report, the company had 284 shareholders (2024: 284 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.

Notes to the financial statements (continued)

Note 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 5 cents)	86,701	43,351

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	125,683	20,691
Franking credits (debits) arising from income taxes paid (refunded)	211,265	119,442
Franking debits from the payment of franked distributions	(28,900)	(14,450)
	308,048	125,683

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

Balance at the end of the financial year	308,048	125,683
Franking credits (debits) that will arise from payment (refund) of income tax	(24,403)	111,619
Franking credits available for future reporting periods	283,645	237,302

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 20. Financial risk management

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

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

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:

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	182,642	231,700
Cash and cash equivalents (note 9)	791,427	1,572,052
Investments (note 11)	1,242,453	611,191
	<u>2,216,522</u>	<u>2,414,943</u>
Financial liabilities		
Trade and other payables (note 15)	1,153,157	1,217,105
Lease liabilities (note 16)	565,575	630,151
	<u>1,718,732</u>	<u>1,847,256</u>

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

Accounting policy for financial instruments

Financial Assets

Classification

The company classifies its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$791,427 and term deposits of \$1,242,453 at 30 June 2025 (2024: \$1,572,052 and \$611,191).

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	1,153,157	-	-	1,153,157
Lease liabilities	123,361	493,445	69,308	686,114
Total non-derivatives	1,276,518	493,445	69,308	1,839,271
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	1,217,105	-	-	1,217,105
Lease liabilities	120,470	481,880	188,153	790,503
Total non-derivatives	1,337,575	481,880	188,153	2,007,608

Note 21. Key management personnel disclosures

Directors

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

Graeme Russell
Rosalyn Mary Roberts
Jenny Maree Farrar
Daisy Chiumburu

James Joshua Sinclair
Peter Raymond Hille
Sean Martin Rooney
Zhedi Wu

Notes to the financial statements (continued)

Note 21. Key management personnel disclosures (continued)

Compensation

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	42,794	-

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

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.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Note 23. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	265	700
General advisory services	3,752	3,745
Share registry services	5,563	5,723
	9,580	10,168
	17,510	16,818

Notes to the financial statements (continued)

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	186,684	356,696
Adjustments for:		
Depreciation and amortisation	133,395	128,381
Lease liabilities interest	43,128	16,921
Change in operating assets and liabilities:		
Decrease in trade and other receivables	45,162	19,699
Increase in income tax refund due	(24,159)	(716)
Increase in deferred tax assets	(8,802)	(6,025)
Decrease in trade and other payables	(193,370)	(2,746)
Increase/(decrease) in provision for income tax	(112,335)	9,440
Increase in employee benefits	1,492	21,536
Increase in other provisions	1,165	1,063
Net cash provided by operating activities	<u>72,360</u>	<u>544,249</u>

Note 25. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>186,684</u>	<u>356,696</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>867,013</u>	<u>867,013</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>867,013</u>	<u>867,013</u>
	Cents	Cents
Basic earnings per share	21.53	41.14
Diluted earnings per share	21.53	41.14

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Clifroy Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

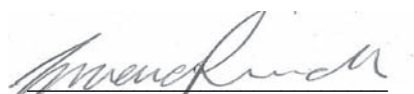
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 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



Graeme Russell
Chair

25 September 2025

Independent audit report



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

Independent auditor's report to the Directors of Clifroy Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Clifroy Limited, is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Clifroy Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Andrew Frewin Stewart
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Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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