

Annual Report 2025

Clovelly Community
Financial Services Ltd

Community Bank
Clovelly

ABN 69 097 378 740



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Chairman's report

For year ending 30 June 2025

It is with great pleasure that I present the 24th Annual Report of Clovelly Community Financial Services Ltd for the financial year ended 30 June 2025.

Current position

The past financial year can best be described as one of navigating a challenging business environment. A combination of slowing economic activity and a sharp rise in interest rates placed pressure on both borrowers and depositors. Despite these challenges, I am proud to report that we achieved our second-highest profit since opening in 2002. Throughout the year, we saw steady growth in customer numbers, deposits, and lending. Importantly, we were also able to return a healthy dividend of 45 cents per share to our valued shareholders.

- Pre-tax profit: \$716,406
- After-tax profit: \$528,497

Dividend

The Board was pleased to declare a fully franked dividend of 45 cents per share, which was distributed in January 2025.

Community engagement

The Community Bank model is unique in its purpose and impact. By growing our business, we are able to invest directly back into the local community, addressing the most pressing local needs.

Our Community Bank proudly supports a wide range of community organisations through grants and sponsorships – particularly those that assist the most vulnerable. Our current strategic focus areas include:

- Domestic Violence
- Homelessness
- Mental Health.

Here are just some of the ways we gave back to our community this past year:

- In response to the rising cost of living, we increased support to food distribution initiatives. One such example is 'A Touch of Kindness', a benevolent organisation we support that distributes food weekly to those in need.
- Through our sponsorship program, we promote health and wellbeing by supporting local sporting organisations.
- We proudly back a diverse group of local clubs and groups, including:
 - Surf Life Saving Clubs
 - Junior and Senior Rugby and Rugby League Clubs
 - All-abilities Soccer
 - Autism Swim, an adapted nippers' program
 - Netball and Lawn Bowling.



Chairman's report (continued)

In the lead-up to Christmas, our community came together once again through our highly successful Christmas Appeal, which collects toys and gifts in-branch. These are then distributed via six local charities. In Christmas 2024, we gifted 2,500 toys and presents to families in need – a truly fantastic achievement.

Community highlights	
Community investment in 2024-25	\$193,672
Total community investment since 2002	\$2,650,382
Total number of organisations supported this year:	36

The Board

I extend my sincere thanks to our dedicated Board of Directors for volunteering their time and expertise. Their continued support has been instrumental in delivering another successful year.

Acknowledging our staff

On behalf of the Board, I would like to thank Pete, Sally, and our wonderful staff for their ongoing commitment to providing professional and personal service – a defining hallmark of our Community Bank.

To our customers and shareholders

Finally, thank you to our customers and shareholders. Your continued trust and support remain at the heart of our Community Bank's success.



Michael DeNavi
Chairman
Clovelly Community Financial Services Ltd

Manager's report

For year ending 30 June 2025

Performance and outlook

Community Bank Clovelly has delivered a strong performance throughout 2025. In an environment of constant regulatory shifts, changing interest rates and margins, evolving demographics, and rapid advances in technology, we have remained agile and focused. The landscape of retail banking continues to be reshaped by increased competition, customer expectations, global events, and unfortunately, a rise in scams and fraud.



Embracing change and innovation

To thrive in this changing environment, we focus on throughput, agility, and speed to meet our clients' enquiries and objectives. Our competitive edge lies in our commitment to accessibility, mobility, and genuine connection with our clients. This is what sets us apart – and it's valued by the people we serve.

The Clovelly Branch now proudly has customers in every state and territory.

Growth and profitability

This year, our business portfolio has grown by \$5.272M, supported by an increase in customer numbers of 3.3% and an average of 2.281% products per customer.

We remain focused on balancing sustainable growth with sound profitability. Finding the right equilibrium between volume and margin continues to be a core focus.

Acknowledgements

A heartfelt thank you to our dedicated Clovelly Branch team – Sally, Nazife, Belinda, Glen, Nicola, Carey, Lisa, and Peta. Your care, professionalism, and commitment to our customers are reflected in every aspect of our success.

Our customers trust and value your service, and they continue to refer others because of the experiences you provide.

To our Chairman, Michael De Navi, and the Board of Directors – thank you for your unwavering support, your generous contributions of time and expertise, and your steadfast commitment to the community bank model. Your guidance and strategic input are deeply appreciated.

We also extend our thanks to Regional Managers Tom Woods and Ruchir Pandey, State Manager Brendan Hendry, and the wider Bendigo Bank team. We are proud to be part of Australia's most trusted bank feeding into the prosperity of our customers and community.

Shareholder value and community impact

It is extremely gratifying to see strong returns for our shareholders. Your belief in the Community Bank Clovelly concept – often before it was widely understood – helped restore an essential service to our local area. Without your support and investment, none of this would have been possible.

We look forward to celebrating this year's achievements with you at our AGM.

Manager's report (continued)

Financial highlights

EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation & Community Support):	\$969,292
Community Contributions:	\$193,672
Total Equity:	\$3,537,208
Share Price:	\$1.40
Net Assets per Share:	\$5.61
Market Capitalisation:	\$882,397
Dividend:	45 cents per share
Cash Held:	\$2,226,124
P/E Ratio:	1.67
ROE (Return on Equity):	14.94%

A thank you to our communities

To our shareholders, community groups, local families, businesses, and individuals – thank you. Your continued support and trust in Community Bank Clovelly enable us to invest directly into initiatives that change lives and strengthen our community.

Every account held with us contributes to the funding and sustainability of vital organisations and programs. This year alone, customers banking with Community Bank Clovelly enabled us to invest \$193,672 into our local community.



Pete Swan
Branch Manager
Clovelly Community Bank

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 \$50 million was invested in local communities, adding to a total of and \$416 million 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

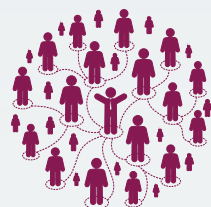
Financial year highlights



\$2.218 million Revenue

\$910,078 Profit before tax and contributions

4,677 Total customers
↑ **3.3%**



\$193,672
Community / Foundation contributions

\$283,628

Shareholder distributions
January 2025: 45c dividend



Community investment 2002- 2025

Clovelly and district since opening in July 2002 to June 2025.

Shareholder
distributions
\$1.514 million



Community /
Foundation
contributions
\$2.650 million

Local
employment
and development
\$12.378 million



**Total
community
investment
\$16.542 million**
2002-2025



Proudly supporting our friends at Maroubra Community Garden with a new grant to support their intergenerational program.

Community contributions

Community Bank Clovelly

Returning profits back to the community through grants and sponsorships.



Recipient	Purpose
Autism Swim	Coogee Dippers Program
Bondi Beach Cottage Inc	Recover & Reconnect Program
Caring Kids Inc	Joy Boxes For Young Carers
Clovelly Crocodiles JRLFC	Playing Jerseys
Clovelly Men's Bowling Club	Open Singles Championships for summer 2024 and 2025
Clovelly Nippers	End Of Season Trophies
Coogee Beach Dolphins JRLFC	Pre-Season Academy & Elite Strength & Conditioning Program
Coogee Netball Club	Match Balls & Umpire Jackets
Coogee Seahorses JRUFC	Playing Kit
Coogee Surf Life Saving Club Inc	Shade Tents to support youth participation & community initiatives
Diva Charity Inc	The Blessing Table Pantry Storage Unit
Jewish House	Clovelly Community Bank Refuge Client Brokerage
Kids Giving Back	Breakfast For All Project
Lokahi Foundation	Pantry & Fridge/Freezer
Maroubra Community Garden Inc	Mental Health and Intergenerational Community Engagement
Randwick Art Society	Annual Art Competition Prizes
Randwick Junior Academy	Training Equipment & Balls
Randwick Netball Association	Umpire Shirts & Mentor Hours
Randwick Open Care for Kids	Solar Installation
Randwick Rugby Club	Training Equipment & Representative Jerseys
Rotary Club of Randwick Botany	Mental Health Community Event Costs
South Eastern Community Connect	Family & Domestic Violence Casework & Community Engagement
South Maroubra Surf Life Saving Club	Inflatable Rescue Boat & Motor
St Anthony's Primary School P&C	STA Idle-Off Initiative
St Francis Social Services	Stronger Together Program
The Clovelly Eagles JRUFC	Specialist Coaching & Tackle Bags
The Clovelly Eskimos	Club sponsorship for 2025 season: Towels
The Deli Women & Children's Centre Inc	Healing After Harm Project
The Minhi's Netball Club	Playing Kit, Training Kit & Office Supplies
The Purple Hearts RCFC	Pitch Hire
The Womens Well - Eastern Suburbs	Audio Equipment & Event Catering
W.N.O.W Organisation	Mental Health First Aid, Marketing Materials, Employee Skills Costs
Waverley Community Men's Shed	Waverley Men's Shed Relocation
WAYS	White Card Training
Weave Youth & Community Services	Speak Out: Dual Diagnosis Program for 12-17 year olds
Windgap Foundation Limited	Health Our Way' Awareness Program

Directors' report

For the financial year ended 30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Clovelly Community Financial Services Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Michael Joseph Denavi

Chairman

Occupation: Small Business Owner

Qualifications, experience and expertise: Michael has extensive experience in small business. He has worked in and owned several small businesses. His present small business has been operating locally for 30 years and has won many accolades including Randwick Council Small Business of the Year. Michael has a strong sense of community. He is a lifetime member of the Clovelly Eagles Junior Rugby Club and was on the steering committee that established the Community Bank.

Special responsibilities: Chairman, Member of HR sub Committee

Interest in shares: 4,001 ordinary

Jonathan Hancock

Non-executive director

Occupation: Stockbroker

Qualifications, experience and expertise: Jonathan is a Stockbroker at Ord Minnett Limited providing a full range of stockbroking and direct asset management services to clients. He was a former President of Tamarama Surf Life Saving Club. Current Junior Activities Director (Head of Nippers) - Tamarama Surf Life Saving Club.

Special responsibilities: Nil

Interest in shares: 1,000 ordinary

Elissa Raptis

Non-executive director

Occupation: Office Manager / Director

Qualifications, experience and expertise: Elissa has a Graduate Certificate in Business Administration and is a graduate of the Australian Institute of Company Directors. She has had extensive experience in the Fast Moving Consumer Goods environment, but more recently has focused on Finance marketing. She has had various Board exposures for over 10 years.

Special responsibilities: Nil

Directors' report (continued)

Directors (continued)

Paul Simmons

Non-executive director

Occupation: HR Professional

Qualifications, experience and expertise: Paul has a degree in Psychology and Post Graduate qualification in Human Resources. He was previously a member of Orange Base Hospital Ethics Committee, and is currently an active member of Clovelly Surf Life Saving Club.

Special responsibilities: Member of HR Sub Committee

Interest in shares: Nil

Keri Barbara Spooner

Non-executive director

Occupation: Dean of Higher Education

Qualifications, experience and expertise: Dr Keri Spooner (BComHons; MComHons; PhD) is currently Dean of Higher Education at the Wentworth Institute of Higher Education and an Emeritus Professor at the University of Notre Dame Australia, Sydney. Previously Keri worked as an academic at the University of Technology Sydney. Her expertise is in the area of human resource management, public administration and corporate governance. She is extensively involved in many Eastern Suburbs community groups and is particularly focused on social justice and environmental issues including the promotion of bees, as well as writing and fundraising for pancreatic cancer research. Current Deputy Mayor of Waverley Council.

Special responsibilities: Member of Audit & Governance committee and HR sub Committees

Interest in shares: Nil

Mark Robert McCormack

Non-executive director

Occupation: Business manager

Qualifications, experience and expertise: Mark is an experienced multi business unit manager in Australian and global markets. He has special expertise in marketing and business strategies planning, driving cultural change to achieve best practice. He has a Bachelor of Commerce from Uni of NSW, completed the Advanced Management Program at Harvard University, and is a Retired Vice President and Managing Director Koppers Australasia. He is also a current Director of Rainbow Club Australia.

Special responsibilities: Member of Marketing Sub Committee

Interest in shares: Nil

Rory Kevin Brennan

Non-executive director

Occupation: IT Security Practice Manager

Qualifications, experience and expertise: Rory has a Bachelor of Computer Science and has completed the AICD Directors course. He has extensive experience in business management, and has previously held Director, Company Secretary, and CEO roles in various businesses.

Special responsibilities: Deputy Chair, member of HR Sub Committee

Interest in shares: 1,000 ordinary (joint holding)

Directors were in office for this entire year unless otherwise stated.

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

Directors' report (continued)

Company Secretary

The company secretary is Sally Lambley who was appointed to the position of Secretary on 1 February 2021.

Qualifications, experience and expertise: Sally has been employed by the Company since it commenced in 2002, and has been involved in the banking industry for 31 years. She is currently the Customer Service Supervisor for the Company. She has a Certificate IV in Human Resources and has completed a Company Secretarial course through GIA.

Principal activity

The principal activity of the group 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 these activities during the financial year.

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Michael Joseph Denavi	4,001	-	4,001
Jonathan Hancock	1,000	-	1,000
Elissa Raptis	-	-	-
Paul Simmons	-	-	-
Keri Barbara Spooner	-	-	-
Mark Robert McCormack	-	-	-
Rory Kevin Brennan	1,000	-	1,000

Review of Operations

The profit for the group after providing for income tax amounted to \$528,497 (30 June 2024: \$841,748).

Operations have continued to perform in line with expectations.

Dividends

	Year ended 30 June 2025	
	Cents	\$
Dividends:		
- Dividends provided for and paid in the year	45.00	283,628

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the group that occurred 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 group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments

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

Directors' report (continued)

Environmental regulation

The group is not subject to any significant environmental regulation.

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 group, 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.

Shares under option

There were no unissued ordinary shares of Clovelly Community Financial Services Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Clovelly Community Financial Services Limited 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 group has indemnified all directors and management in respect of liabilities to other persons (other than the group or related body corporate) that may arise from their position as directors or management of the group 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.

Indemnity and insurance of auditor

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

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

Meetings of directors

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the group during the financial year were:

	Board Meetings Attended	
	E	A
Michael Joseph Denavi	11	11
Jonathan Hancock	11	11
Elissa Raptis	11	6
Paul Simmons	11	6
Keri Barbara Spooner	11	6
Mark Robert McCormack	11	9
Rory Kevin Brennan	11	9

E - eligible to attend

A - number attended

Directors' report (continued)

Proceedings on behalf of the group

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

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

Non audit services

The group may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the group 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 22 to the accounts.

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

- all non-audit services have been reviewed by the board of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- 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 group, acting as an advocate for the group 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



Michael Denavi, Chair

5 August 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 Clovelly Community Financial Services Limited

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 5 August 2025

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

Adrian Downing
Lead Auditor

Financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	7	2,134,380	2,595,699
Other revenue	8	-	67,185
Finance revenue	9	84,008	70,491
Total revenue		2,218,388	2,733,375
Employee benefit expenses	10	(1,015,224)	(993,894)
Advertising and marketing costs		(18,134)	(3,403)
Occupancy and associated costs		(43,935)	(28,717)
Systems costs		(35,206)	(30,006)
Depreciation and amortisation expense	10	(59,214)	(69,907)
General administration expenses		(136,597)	(119,357)
Total expenses before community contributions and income tax		(1,308,310)	(1,245,284)
Profit before community contributions and income tax expense		910,078	1,488,091
Charitable donations and sponsorships expense	10	(193,672)	(355,707)
Profit before income tax expense		716,406	1,132,384
Income tax expense	11	(187,909)	(290,639)
Profit after income tax expense		528,497	841,745
Total comprehensive income for the year attributable to the ordinary shareholders of the group:		528,497	841,745
Earnings per share		¢	¢
- Basic and diluted earnings per share:	26	83.85	133.55

The accompanying notes form part of these financial statements

Financial statements (continued)

Consolidated Statement of Financial Position as at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	12	2,226,124	1,974,121
Trade and other receivables	13	165,889	182,104
Current tax assets	11	18,459	-
Total current assets		2,410,472	2,156,225
Non-current assets			
Property, plant and equipment	14	1,352,578	1,376,095
Intangible assets	15	26,346	39,518
Deferred tax asset	11	35,692	32,963
Total non-current assets		1,414,616	1,448,576
Total assets		3,825,088	3,604,801
LIABILITIES			
Current liabilities			
Trade and other payables	16	136,219	139,937
Current tax liabilities	11	-	15,800
Employee benefits	17	135,456	130,491
Total current liabilities		271,675	286,228
Non-current liabilities			
Trade and other payables	16	-	14,491
Employee benefits	17	16,205	11,743
Total non-current liabilities		16,205	26,234
Total liabilities		287,880	312,462
Net assets		3,537,208	3,292,339
EQUITY			
Issued capital	18	630,284	630,284
Retained earnings		2,906,924	2,662,055
Total equity		3,537,208	3,292,339

The accompanying notes form part of these financial statements

Financial statements (continued)

Consolidated Statement of Changes in Equity for the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings/ Accumulated losses \$	Total equity \$
Balance at 1 July 2023		630,284	2,198,480	2,828,764
Total comprehensive income for the year		-	841,745	841,745
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(378,170)	(378,170)
Balance at 30 June 2024		630,284	2,662,055	3,292,339
Balance at 1 July 2024		630,284	2,662,055	3,292,339
Total comprehensive income for the year		-	528,497	528,497
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(283,628)	(283,628)
Balance at 30 June 2025		630,284	2,906,924	3,537,208

The accompanying notes form part of these financial statements

Financial statements (continued)

Consolidated Statement of Cash Flows for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		2,362,543	3,055,283
Payments to suppliers and employees		(1,663,498)	(1,783,467)
Interest received		84,008	70,491
Income taxes paid		(224,895)	(558,382)
Net cash provided by operating activities	22	558,158	783,925
Cash flows from investing activities			
Payments for property, plant and equipment		(22,527)	-
Net cash used in investing activities		(22,527)	-
Cash flows from financing activities			
Dividends paid	20	(283,628)	(378,170)
Net cash used in financing activities		(283,628)	(378,170)
Net cash increase in cash held		252,003	405,755
Cash and cash equivalents at the beginning of the financial year		1,974,121	1,568,366
Cash and cash equivalents at the end of the financial year	12	2,226,124	1,974,121

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Reporting entity

This consolidated financial report for Clovelly Community Financial Services Limited (the company) and its subsidiaries (together referred to as the group), which is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office

222-226 Clovelly Rd
Coogee NSW 2034

Principal Place of Business

222-226 Clovelly Rd
Coogee NSW 2034

Further information on the nature of the operations and principal activity of the group is provided in the directors' report. Information on the group's related party relationships is provided in Note 25.

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, except for certain properties, financial instruments, and equity financial assets that are measured at revalued amounts or fair values at the end of each reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

The directors have a reasonable expectation that the group 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.

These financial statements for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors.

Note 3. Material accounting policy information

The accounting policies that are material to the group 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 group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period."

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Current and non-current classification

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

Impairment of non-financial assets

At each reporting date, the group reviews the carrying amounts of its tangible assets and intangible asset 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 the impairment loss (if any).

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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the group only.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Clovelly Community Financial Services Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Clovelly Community Financial Services Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 4. Controlled entities

Information about principal subsidiaries

The subsidiary listed below has share capital consisting solely of ordinary shares which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary have been consolidated on a line -by-line basis in the consolidated financial statements of the group. The proportion of ownership held equals the voting rights held by the parent.

	Proportion of Ownership Held by the Parent 2025"	Proportion of Ownership Held by the Parent 2024"
Name of subsidiary		
Clovelly Community Property Holdings Pty	100%	100%

Note 5. Significant 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.

Notes to the financial statements (continued)

Note 5. Significant accounting judgements, estimates, and assumptions (continued)

Judgements

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

Timing of revenue recognition associated with trail commission

The group 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 group.

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

- The group'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 group 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 group has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the group.
- The group has not experienced any instances of default in relation to receivables owed to the group from Bendigo Bank.

Fair value measurement hierarchy

The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period

Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market

Level 3: unobservable inputs for the asset or liability.

Impairment of non-financial assets

The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity 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 group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Estimates and assumptions

Estimation of useful lives of assets

The group 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.

Employee benefits provision

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

Notes to the financial statements (continued)

Note 5. Significant accounting judgements, estimates, and assumptions (continued)

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

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

Note 6. Economic dependency

The group has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The group is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in June 2026.

The group operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The group 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 group 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 group promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the group 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 group 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 7. Revenue from contracts with customers

	2025 \$	2024 \$
Revenue:		
- Revenue from contracts with customers	2,134,380	2,595,699
	2,134,380	2,595,699
<i>Disaggregation of revenue from contracts with customers</i>		
At a point in time:		
Margin income	1,942,074	2,380,900
Fee income	82,971	91,605
Commission income	109,335	123,194
	2,134,380	2,595,699

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

The group has entered into a franchise agreement with Bendigo Bank. The group 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 group. 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 group's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the group's right to receive the payment is established.

The group 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 group 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 Goods and Services Tax (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 group – margin, commission and fee income. Bendigo Bank decides the form of revenue the group earns on different types of products and services. The revenue earned by the group is dependent on the business that it generates.

Margin income

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

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the group 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 group 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 group 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 group receives on a particular product or service.

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

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

Note 8. Other revenue

	2025 \$	2024 \$
Other income	-	67,185
	-	67,185

Accounting policy for other revenue

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

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

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

Note 9. Finance revenue

	2025 \$	2024 \$
Cash at bank	84,002	63,727
Term deposits	-	4,560
Other	6	2,204
	84,008	70,491

Accounting policy for finance revenue

Finance income is recognised when earned using the effective interest rate method.

Note 10. Expenses

	2025 \$	2024 \$
Employee benefit expenses		
Wages and salaries	879,985	860,987
Non-cash benefits	-	-
Contributions to defined contribution plans	100,268	90,643
Expenses related to long service leave	7,286	9,439
Other expenses	27,685	32,825
	1,015,224	993,894

Notes to the financial statements (continued)

Note 10. Expenses (continued)

	2025 \$	2024 \$
Depreciation and amortisation expense		
<i>Depreciation of non-current assets:</i>		
Buildings	24,935	24,935
Leasehold improvements	12,980	12,979
Plant and equipment	919	909
Furniture and fittings	7,207	17,911
	46,041	56,734
<i>Amortisation of intangible assets:</i>		
Franchise fee	13,173	13,173
	13,173	13,173
Total depreciation and amortisation expense	59,214	69,907

Charitable donations, sponsorship, advertising and promotion

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

	2025 \$	2024 \$
Direct sponsorships, grants and donations	88,409	92,549
Contribution to the Community Enterprise Foundation™	105,263	263,158
	193,672	355,707

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

When the group pays a contribution in to the CEF, the group 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 group.

Community Enterprise Foundation™ contributions

During the financial year the group contributed funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations and sponsorship expenditure included in profit or loss.

	2025 \$	2024 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	488,826	371,840
Contributions paid in	105,789	263,158
Grants paid out	(86,902)	(148,807)
Interest received	22,436	15,792
Management fees incurred	(5,789)	(13,157)
Balance available for distribution	524,360	488,826

Notes to the financial statements (continued)

Note 11. Income tax expense

	2025 \$	2024 \$
Amounts recognised in profit or loss		
<i>Current tax expense/(credit)</i>		
Current tax	190,638	301,263
Movement in deferred tax	(2,729)	(10,624)
	187,909	290,639
Prima facie income tax reconciliation		
Operating profit before taxation	716,406	1,132,384
Prima facie tax on profit/(loss) from ordinary activities at 25% (2024: 25%)	143,990	252,700
Prima facie tax on profit/(loss) from ordinary activities at 30% (2024: 30%)	42,134	36,476
Tax effect of:		
Non-deductible expenses	1,785	1,464
Temporary differences	2,729	10,624
Movement in deferred tax	(2,729)	(10,624)
	187,909	290,639
Deferred tax		
<i>Deferred tax assets</i>		
employee provisions	37,916	35,559
Total deferred tax assets	37,916	35,559
<i>Deferred tax liabilities</i>		
deductible prepayments	2,224	2,596
Total deferred tax liabilities	2,224	2,596
Net deferred tax assets (liabilities)	35,692	32,963
Current tax		
Income tax payable/(refundable)	(18,459)	15,800

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 12. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	2,226,124	1,974,121
	2,226,124	1,974,121

Accounting policy for cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and short-term deposits held with banks.

The below figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2025 \$	2024 \$
Cash at bank and on hand	2,226,124	1,974,121
	2,226,124	1,974,121

Note 13. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	143,851	171,602
Prepayments	8,895	10,382
Other receivables and accruals	13,143	120
	165,889	182,104

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 group's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 14. Property, plant and equipment

	2025 \$	2024 \$
<i>Land</i>		
At cost	591,403	591,403
	591,403	591,403
<i>Buildings</i>		
At cost	997,389	997,389
Less: accumulated depreciation and impairment	(324,151)	(299,217)
	673,238	698,172
<i>Leasehold improvements</i>		
At cost	363,031	363,031
Less: accumulated depreciation and impairment	(298,273)	(285,293)
	64,758	77,738

Notes to the financial statements (continued)

Note 14. Property, plant and equipment (continued)

	2025 \$	2024 \$
<i>Plant and equipment</i>		
At cost	21,305	12,182
Less: accumulated depreciation and impairment	(13,102)	(12,182)
	8,203	-
<i>Furniture and fittings</i>		
At cost	133,267	119,865
Less: accumulated depreciation and impairment	(118,291)	(111,083)
	14,976	8,782
Total written down amount	1,352,578	1,376,095

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

<i>Land</i>		
Carrying amount at beginning	591,403	591,403
	591,403	591,403
<i>Buildings</i>		
Carrying amount at beginning	698,172	723,107
Depreciation	(24,934)	(24,935)
	673,238	698,172
<i>Leasehold improvements</i>		
Carrying amount at beginning	77,738	90,717
Depreciation	(12,980)	(12,979)
	64,758	77,738
<i>Plant and equipment</i>		
Carrying amount at beginning	-	909
Additions	9,123	-
Depreciation	(920)	(909)
	8,203	-
<i>Furniture and fittings</i>		
Carrying amount at beginning	8,782	26,693
Additions	13,402	-
Depreciation	(7,208)	(17,911)
	14,976	8,782
Total written down amount	1,352,578	1,376,095

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.

Notes to the financial statements (continued)

Note 14. Property, plant and equipment (continued)

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:

Asset class	Method	Useful life
Building	Straight-line	40 years
Leasehold improvements	Straight-line	10-12 years
Plant and equipment	Straight-line	3 years
Furniture, fixtures and fittings	Straight-line	4 years

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

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

Changes in estimates

During the financial year, the group assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 15. Intangible assets

	2025 \$	2024 \$
<i>Franchise fee</i>		
At cost	65,864	65,864
Less: accumulated amortisation and impairment	(39,518)	(26,346)
Total written down amount	26,346	39,518

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

<i>Franchise fee</i>		
Carrying amount at beginning	39,518	52,691
Amortisation	(13,173)	(13,173)
Total written down amount	26,346	39,518

Accounting policy for intangible assets

Intangible assets of the group 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 group 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
Franchise fee	Straight-line	Over the franchise term (5 years)

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

Changes in estimates

During the financial year, the group 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.

Notes to the financial statements (continued)

Note 16. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Other payables and accruals	136,219	139,937
	136,219	139,937
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,491
	-	14,491
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	136,219	154,428
less other payables and accruals (net GST payable to the ATO)	(49,390)	(42,613)
	86,829	111,815

Accounting policy for trade and other payables

Where the group is liable to settle an amount within 12 months of reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Provision for annual leave	62,779	54,068
Provision for personal leave	19,670	26,239
Provision for long service leave	53,007	50,184
	135,456	130,491
<i>Non-current liabilities</i>		
Provision for long service leave	16,205	11,743
	16,205	11,743

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

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

Notes to the financial statements (continued)

Note 18. Issued capital

	2025		2024	
	Number	\$	Number	\$
Ordinary shares - fully paid	630,284	630,284	630,284	630,284
	630,284	630,284	630,284	630,284

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the group as a community based group, 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 group.

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 group's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

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

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 group (the "10% limit").

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the group.

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 group or any voting power in the group, 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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 19. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the group. The board of directors 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 group 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 group 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 group is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2025 can be seen in the statement of profit or loss and other comprehensive income.

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

Note 20. Dividends provided for or paid

Dividends provided for and paid during the period

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

	30 June 2025		30 June 2024	
	Cents	\$	Cents	\$
Fully franked dividend	45.00	283,628	60.00	378,170
Total dividends provided for and paid during the financial year	45.00	283,628	60.00	378,170

The tax rate at which dividends have been franked is 25%.

	2025 \$	2024 \$
Franking account balance		
<i>Franking credits available for subsequent reporting periods</i>		
Franking account balance at the beginning of the financial year	1,093,226	660,909
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	224,895	558,374
- Franking debits from the payment of franked distributions	(94,543)	(126,057)
Franking account balance at the end of the financial year	1,223,578	1,093,226
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	(18,459)	15,800
Franking credits available for future reporting periods	1,205,119	1,109,026

Notes to the financial statements (continued)

Note 20. Dividends provided for or paid (continued)

The ability to utilise franking credits is dependent upon the group'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 group.

Note 21. Financial risk management

The group's financial instruments include trade receivables and payables, cash and cash equivalents. The group does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the group, 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 consolidated entity are liquidity and market (price) risk. Other financial risks are not significant to the group due to the following factors:

- The group has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The group's franchise agreement limits the group's credit exposure to one financial institution, being Bendigo Bank. The group monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The group has no direct exposure to movements in commodity prices.
- The group'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 group has no borrowings.

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

	Note	2025 \$	2024 \$
Financial assets			
Trade and other receivables	13	165,889	182,104
Cash and cash equivalents	12	2,226,124	1,974,121
		2,392,013	2,156,225
Financial liabilities			
Trade and other payables	16	86,829	111,815
		86,829	111,815

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

Accounting policy for financial instruments

Financial assets

Classification

The group classifies its financial assets into the following categories:

- Amortised cost

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

The group'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 group'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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

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 group has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The group classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised then 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 group's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest-rate risk.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group'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 group's reputation.

Financial liability	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
30 June 2025				
Trade payables	136,219	136,219	-	-
	136,219	136,219	-	-
30 June 2024				
Trade payables	154,428	139,937	14,491	-
	154,428	139,937	14,491	-

Note 22. Reconciliation of cash flows from operating activities

	2025 \$	2024 \$
Net profit after tax from ordinary activities	528,497	841,745
Adjustments for:		
- Depreciation	46,041	56,734
- Amortisation	13,173	13,173
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	14,729	126,111
- (Increase)/decrease in other assets	1,488	(4,523)
- Increase/(decrease) in trade and other payables	(18,210)	(28,588)
- Increase/(decrease) in employee benefits	9,428	47,017
- Increase/(decrease) in tax liabilities	(36,988)	(267,744)
Net cash flows provided by operating activities	558,158	783,925

Notes to the financial statements (continued)

Note 23. Auditor's remuneration

Amount received or due and receivable by the auditor of the group for the financial year.

	2025 \$	2024 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	7,300	6,700
<i>Non audit services</i>		
- General advisory services	64	1,206
- Share registry services	5,357	4,608
Total auditor's remuneration	12,721	12,514

Note 24. Key management personnel disclosures

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

Michael Joseph Denavi
Jonathan Hancock
Elissa Raptis
Paul Simmons
Keri Barbara Spooner
Mark Robert McCormack
Rory Kevin Brennan

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

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

Note 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

No director or related entity has entered into a material contract with the group.

Note 26. Earnings per share

	2025 \$	2024 \$
Profit attributable to ordinary shareholders	528,497	841,745
	Number	Number
Weighted-average number of ordinary shares	630,284	630,284
Basic and diluted earnings per share	83.85	133.55

Notes to the financial statements (continued)

Note 26. Earnings per share (continued)

Accounting policy for earnings per share

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

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Consolidated Entity Disclosure Statement

For the financial year ended 30 June 2025

This financial report covers the consolidated financial statements and notes of Clovelly Community Financial Services Limited and its controlled entity (together referred to as the "Group") for the year ended 30 June 2025.

The controlled entity included in the consolidated financial statements is as follows:

Entity Name	Entity type	Country of incorporation	Ownership interest	Tax residency
Clovelly Community Property Holdings Pty	Property holding	Australia	100%	Australia

Clovelly Community Financial Services Limited is the parent entity and operates under a franchise agreement with Bendigo and Adelaide Bank Limited. The subsidiary holds the bank premises and leases them to the parent entity. All intercompany transactions and balances have been eliminated on consolidation in accordance with AASB 10: Consolidated Financial Statements.

Directors' declaration

For the financial year ended 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 group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Michael Denavi, Chair

5 August 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 Clovelly Community Financial Services Limited

Report on the audit of the financial report

Our opinion

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

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

What we have audited

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

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

Basis for opinion

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

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

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.



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

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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 5 August 2025

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

Adrian Downing
Lead Auditor

Community Bank · Clovelly
222-226 Clovelly Road, Coogee NSW 2034
Phone: 02 9665 0099
Email: clovellymailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/clovelly

Franchisee: Clovelly Community Financial Services Ltd
ABN 69 097 378 740
222-226 Clovelly Road, Coogee NSW 2034
Phone: 02 9665 0099



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