

Annual Report 2026

Clovelly Community
Financial Services Limited

Community Bank
Clovelly

ABN 69 097 378 740



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Chairman's report

For year ending 30 June 2026

Current Position

The past financial year, much like the preceding one, presented significant challenges for businesses across the country. Movements in the Reserve Bank's interest rates affected the banking sector by altering the spread between interest earned on loans and interest paid on deposits. This shift contributed to tightened cash flows, increased costs of goods and services, and heightened pressure on debt-servicing obligations.

Despite these external pressures, our Community Bank continued to demonstrate resilience and achieved an increase in profitability throughout the financial year.

- Pre-tax profit: \$822,090
- After-tax profit: \$608,215

Dividend

The Board was pleased to declare a fully franked dividend of 29 cents per share, which was distributed in January 2026.

Community Engagement

Consistent with the Community Bank model of reinvesting a portion of profits back into the local community, our organisation continued to support a broad range of community groups through grants and sponsorships.

During the year, \$134,395 was distributed to 39 local organisations, with funding directed towards three priority areas:

- Domestic Violence
- Homelessness
- Mental Health

The Board acknowledges Nicola Powell, Community Partnership Manager, for her dedicated and energetic leadership in coordinating the grants and sponsorship program.

Board of Directors

During the financial year, the Board welcomed two new Directors: Dr. Sophie Reid and Ms. Donna Burke. Both bring a diverse range of professional expertise and voluntary experience, strengthening the governance capability of the organisation.

I extend my sincere thanks to all Directors for their continued commitment, professionalism, and voluntary contribution to the effective operation of the Community Bank.



Chairman's report (continued)

Acknowledging Our Staff

We were pleased to welcome Kate to the team. Kate brings valuable accounting experience and multilingual capability, further enhancing the branch's service capacity.

We also farewelled Glen and Carey, who have moved on to pursue new career opportunities. On behalf of the Board, I thank them for their dedicated service and contribution to the organisation.

Congratulations are extended to Peter, Sally, and all branch staff for their ongoing delivery of professional and personalised banking services to our customers.

To Our Customers and Shareholders

Your continued support remains fundamental to the strength and presence of our Community Bank within the local community. The Board expresses its gratitude for your ongoing commitment and engagement.



Michael DeNavi
Chairman
Clovelly Community Financial Services Limited

Manager's report

For year ending 30 June 2026

A Dynamic Year for Community Bank Clovelly

The year 2026 has been exceptionally dynamic for Community Bank Clovelly. In an environment of constant change, we have successfully navigated challenges and embraced new opportunities. While some industry peers have reduced their branch presence, we have reinforced our commitment to personal service. As the financial landscape evolves with mergers, technological advancements, and new third-party product providers, we have thrived.

We are proud to have met the challenges of a competitive market head-on, delivering a robust outcome for all our stakeholders in 2026.

Business Performance

Our business portfolio increased by \$7.433 million, representing 2.2% growth. In parallel, our risk performance has met all benchmark metrics, further strengthening our business.

We remain committed to balancing sustainable growth with profitability. Finding the right equilibrium between business volume and margin continues to be a key priority.

Caring for Our Community and Valued Clients

Our premium service is our signature point of difference. By offering extended branch hours (9:30 am to 5:00 pm), mobile and after-hours availability, and rapid access to our experienced banking team, we provide a level of service our clients deeply appreciate. This is reflected in our outstanding customer retention rate and the high volume of internal referrals. We believe customers are the reason for our business, not an interruption of it.

Building on our legacy of community contributions, which includes significant monetary funding from 2002 to 2026 of \$2,784,777 we have expanded our support. We now provide vital Scam Awareness and Prevention presentations to community organisations and businesses. This initiative addresses the exponential growth of fraud by providing practical tools and tips to help prevent devastating financial losses.

Acknowledgements

A heartfelt thank you to our dedicated Clovelly Branch team—Sally, Nazife, Belinda, Nicola, Lisa, Peta, and Kate. Your care, professionalism, and commitment are the cornerstones of our success. Our customers trust you, value your service, and refer others because of the exceptional experience you provide.

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

Thank you to Ruchir Pandey (Regional Manager), Amy Land (State Manager), and the wider Bendigo Bank and Community Bank teams for your business acumen and support. It is a pleasure for Community Bank Clovelly to be part of your team.



Manager's report (continued)

Financial highlights

EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation & Community Support)	\$1,019,916
Community Contributions (2026): Customers banking with Community Bank Clovelly enabled us to invest in our local community this year.	\$134,395
Total Community Contributions (to date):	\$2,784,777
Total Equity:	\$3,962,640
Share Price:	\$1.42
Net Assets per Share:	\$6.28
Market Capitalisation:	\$895,003
Dividend:	29c per share
Cash Held:	\$2,810,912
P/E Ratio:	1.47
ROE (Return on Equity):	16.22%

Looking Forward to 2027

Factors such as interest rate movements, budget tax reforms, and global economic events will ensure 2027 is another fast-paced and eventful year. We are well-prepared to navigate the path ahead.

A Final Thank You

To our shareholders, community groups, local families, and businesses—thank you. Your continued support and trust in Community Bank Clovelly enables us to invest in initiatives that change lives and strengthen our community. Every account held with us contributes to this vital mission.



Pete Swan
Branch Manager
Community Bank Clovelly

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

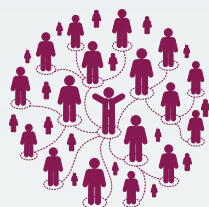
Financial year highlights



\$2.269 million Revenue

\$956,485 Profit before tax and contributions

4,605 Total customers



\$134,395

Community / Foundation contributions

\$182,783

Shareholder distributions
January 2026: 29c dividend



Community investment 2002-2026

Clovelly and district since opening in July 2002 to June 2026.

Shareholder
distributions
\$1.696 million



Community /
Foundation
contributions
\$2.784 million

Local
employment
and development
\$13.395 million



**Total
community
investment
\$17.876 million**
2002-2026



Proudly supporting our friends at Maroubra SLSC

Community contributions



Community Bank · Clovelly

Returning profits back to the community through grants and sponsorships.

Recipient	Purpose
Australian Endometriosis Foundation	Common Grounds - Eastern Suburbs Sydney Peer Support Sessions
BIKEast Inc	Trishaw upgrade & First Aid Equipment
Bondi Beach Cottage	Safe Access: Counselling & Childcare Support for Women
Bondi Surf Bathers Surf Life Saving Club	Inflatable Rescue Boat
Bondi Surf Bathers Surf Life Saving Club	Bondi Tragedy Crisis Support
Coogee Dolphins JRLFC	Junior Preseason Training & Senior Mental Health Event
Coogee Netball Club	Playing Equipment
Coogee Seahorses Junior Rugby Union Club	Playing Kit & Equipment
Coogee Surf Life Saving Club	Inaugural Manta Ray Program
Coogee Surf Life Saving Club	Manta Ray Program Expansion
Clovelly Eagles Junior Rugby Football Club	Playing Jerseys
Clovelly Eskimos Winter Swimming Club	Participant Merchandise
Clovelly Surf Life Saving Club Inc	Nippers Trophies
Feel Good Project Foundation	Naidoc Community Care Week
Kid's Giving Back	Acts of Kindness: Youth Volunteering Challenge
Lokahi Foundation	Food Pantry Supplies
Maroubra Missiles Junior Rugby Union	Equipment & Coaching
Maroubra Surfers Association	Shade Tent
Maroubra Surfers Association	Maroubra Community Surf Development Program 2026
North Bondi Surf Life Saving Club	Bondi Tragedy Crisis Support
Police Citizens Youth Clubs NSW Ltd	PCYC Eastern Suburbs 'Fit for Life' Program
Randwick Art Society Inc	16th Annual Art, Craft & Photography Exhibition
Randwick City Football Club	Purple Hearts Pitch Hire & Playing Equipment
Randwick District Rugby Union Club	Jerseys & Junior Rep Kits
Randwick Netball Association	Umpire Pathways Program
Randwick Junior Academy	Training Uniforms
Ronald McDonald House Sydney	Youth Volunteering Pathways Program
Rotary Club of Randwick Botany	National Youth Science Forum student support
The Deli Women & Children's Centre Inc	Reconnect & Repair - Family Healing
Strength to Strength Foundation	Run 4 Resilience Program
Surf Life Saving Sydney	Our Future Leaders - Supporting the development of Sydney's young
Sydney Coastal Cricket Club	Grassroots to Greatness Junior Cricket Development
The Women's Well Eastern Suburbs	Catering & Event Advertising
When No One's Watching Limited (WNOW)	Connection & Coffee Program
Windgap Foundation Limited	Wellbeing Month

Directors' report

For the financial year ended 30 June 2026

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2026

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: 15,500 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 and marketing. She has had various Board exposures for over 10 years.

Special responsibilities: Nil

Interest in shares: 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 postgraduate 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

Directors (continued)

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: 12,000 ordinary

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 (continued)

Directors' report (continued)

Directors (continued)

Sophie Caroline Reid

(appointed 7 May 2026)

Non-executive director

Occupation: Clinical Psychologist

Qualifications, experience and expertise: Dr Sophie Reid is a Clinical Psychologist, researcher, and executive leader with extensive experience in governance, strategy, risk management, and community-sector leadership. She is Director and Co-Founder of Birchtree Centre and Birchtree Foundation and serves as an Adjunct Fellow at the University of Technology Sydney. Dr Reid has significant experience in organisational governance, regulatory compliance, research oversight, stakeholder engagement, and strategic planning. Her professional background includes leadership of multidisciplinary teams, management of complex projects and grants, and collaboration across health. Having completed the Australian Institute of Company Directors (AICD) Company Directors Course, Dr Reid contributes expertise in board governance, risk oversight, ethics, community engagement, and organisational sustainability.

Special responsibilities: Nil

Interest in shares: Nil

Donna Theresa Burke

(appointed 7 May 2026)

Non-executive director

Occupation: Real Estate Consultant / Small Business Owner

Qualifications, experience and expertise: Donna has a BA Sports Studies - Management and a Grad Cert in Dispute Resolution. She is a Licensed Real Estate Agent with more than 30 years' experience in residential property sales and is a Company Director. Donna has held senior leadership positions in sports management/marketing, business management, and real estate, and has a history of involvement through governance and volunteer roles in sporting clubs and community organisations.

Special responsibilities: Nil

Interest in shares: Nil

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 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 these activities during the financial year.

Directors' report (continued)

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	14,500	15,500
Elissa Raptis	-	-	-
Paul Simmons	-	-	-
Keri Barbara Spooner	-	-	-
Mark Robert McCormack	-	12,000	12,000
Rory Kevin Brennan	1,000	-	1,000
Sophie Caroline Reid (appointed 7 May 2026)	-	-	-
Donna Theresa Burke (appointed 7 May 2026)	-	-	-

Review of Operations

The profit for the company after providing for income tax amounted to \$608,215 (30 June 2025: \$528,497)

Operations have continued to perform in line with expectations.

Dividends

	Year ended 30 June 2026	
	Cents	\$
Dividends:		
- Dividends provided for and paid in the year	29.00	182,783

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 3 September 2026, the Board approved a fully franked dividend of 29 cents per share, amounting to \$182,783, payable on 29 January 2027. As the dividend was approved after the reporting date, no liability has been recognised as at 30 June 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

Directors' report (continued)

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.

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of directors and officers

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

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

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.

Meetings of directors

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

	Board Meetings Attended	
	E	A
Michael Joseph Denavi	10	10
Jonathan Hancock	10	10
Elissa Raptis	5	1
Paul Simmons	10	6
Keri Barbara Spooner	10	6
Mark Robert McCormack	10	7
Rory Kevin Brennan	10	8
Sophie Caroline Reid (appointed 7 May 2026)	1	1
Donna Theresa Burke (appointed 7 May 2026)	1	1

E - eligible to attend
A - number attended

Directors' report (continued)

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*.

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 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:

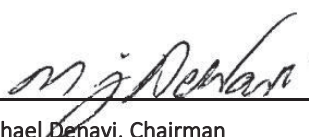
- all non-audit services have been reviewed by the board of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code 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 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



Michael Denavi, Chairman

Date: 16 September 2026

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Clovelly Community Financial Services Limited

As lead auditor for the audit of the consolidated financial report of Clovelly Community Financial Services Limited and its controlled entity for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 16 September 2026

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 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	7	2,188,025	2,134,380
Other revenue	8	4,380	-
Finance revenue	9	77,405	84,008
Total revenue		2,269,810	2,218,388
Employee benefit expenses	10	(1,017,247)	(1,015,224)
Advertising and marketing costs		(21,291)	(18,134)
Occupancy and associated costs		(36,492)	(43,935)
Systems costs		(35,144)	(35,206)
Depreciation and amortisation expense	10	(63,431)	(59,214)
General administration expenses		(139,720)	(136,597)
Total expenses before community contributions and income tax		(1,313,325)	(1,308,310)
Profit before community contributions and income tax expense		956,485	910,078
Charitable donations and sponsorships expense	10	(134,395)	(193,672)
Profit before income tax expense		822,090	716,406
Income tax expense	11	(213,875)	(187,909)
Profit after income tax expense		608,215	528,497
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		608,215	528,497
Earnings per share		¢	¢
- Basic and diluted earnings per share:	26	96.50	83.85

Financial statements (continued)

Consolidated statement of financial position as at 30 June 2026

	Note	2026 \$	2025 \$
ASSETS			
Current assets			
Cash and cash equivalents	12	2,810,912	2,226,124
Trade and other receivables	13	200,162	165,889
Current tax assets	11	-	18,459
Total current assets		3,011,074	2,410,472
Non-current assets			
Property, plant and equipment	14	1,313,194	1,352,578
Intangible assets	15	13,173	26,346
Deferred tax asset	11	34,071	35,692
Total non-current assets		1,360,438	1,414,616
Total assets		4,371,512	3,825,088
LIABILITIES			
Current liabilities			
Trade and other payables	16	184,034	136,219
Current tax liabilities	11	79,387	-
Employee benefits	17	124,682	135,456
Total current liabilities		388,103	271,675
Non-current liabilities			
Employee benefits	17	20,769	16,205
Total non-current liabilities		20,769	16,205
Total liabilities		408,872	287,880
Net assets		3,962,640	3,537,208
EQUITY			
Issued capital	18	630,284	630,284
Retained earnings		3,332,356	2,906,924
Total equity		3,962,640	3,537,208

Financial statements (continued)

Consolidated statement of changes in equity for the year ended 30 June 2026

	Note	Issued capital \$	Reserves \$	Retained earnings/ (accumulated losses) \$	Total equity \$
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
Balance at 1 July 2025		630,284	-	2,906,924	3,537,208
Total comprehensive income for the year		-	-	608,215	608,215
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	20	-	-	(182,783)	(182,783)
Balance at 30 June 2026		630,284	-	3,332,356	3,962,640

Financial statements (continued)

Consolidated statement of cash flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		2,377,860	2,362,543
Payments to suppliers and employees		(1,562,412)	(1,663,498)
Interest received		77,405	84,008
Income Tax refund received		84,984	
Income taxes paid		(199,391)	(224,895)
Net cash provided by operating activities	22	778,446	558,158
Cash flows from investing activities			
Payments for property, plant and equipment		(10,875)	(22,527)
Net cash used in investing activities		(10,875)	(22,527)
Cash flows from financing activities			
Dividends paid	20	(182,783)	(283,628)
Net cash used in financing activities		(182,783)	(283,628)
Net cash increase in cash held		584,788	252,003
Cash and cash equivalents at the beginning of the financial year		2,226,124	1,974,121
Cash and cash equivalents at the end of the financial year	12	2,810,912	2,226,124

Notes to the financial statements

For the year ended 30 June 2026

Note 1 Reporting entity

This is the financial report for Clovelly Community Financial Services Limited (the company) and its subsidiaries (together referred to as the group), which is 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	Principal Place of Business
222-222 Clovelly Rd Coogee NSW 2034	222-222 Clovelly Rd Coogee NSW 2034

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

These financial statements for the year ended 30 June 2026 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 company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

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

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 company 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 2026 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 2026	Proportion of Ownership Held by the Parent 2025
Name of subsidiary		
Clovelly Community Property Holdings Pty Ltd	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 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.

Fair value measurement hierarchy

The company 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.

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the 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 company 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 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.

Notes to the financial statements (continued)

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

Employee benefits provision

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

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

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

Note 6 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 in June 2027, 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 June 2027.

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 7 Revenue from contracts with customers

	2026 \$	2025 \$
Revenue:		
- Revenue from contracts with customers	2,188,025	2,134,380
	2,188,025	2,134,380
<i>Disaggregation of revenue from contracts with customers</i>		
At a point in time:		
Margin income	2,018,756	1,942,074
Fee income	75,478	82,971
Commission income	93,791	109,335
	2,188,025	2,134,380

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

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

Commission income

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

Notes to the financial statements (continued)

Note 7 Revenue from contracts with customers (continued)

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 8 Other revenue

	2026 \$	2025 \$
Other income	4,380	-
	4,380	-

Accounting policy for other revenue

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

Revenue 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

	2026 \$	2025 \$
Cash at bank	77,380	84,002
Other	25	6
	77,405	84,008

Accounting policy for finance revenue

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

Notes to the financial statements (continued)

Note 10 Expenses

Employee benefit expenses

	2026 \$	2025 \$
Wages and salaries	877,707	879,985
Contributions to defined contribution plans	103,806	100,268
Expenses related to long service leave	(3,310)	7,286
Other expenses	39,044	27,685
	1,017,247	1,015,224

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets:</i>		
Buildings	24,935	24,935
Leasehold improvements	12,979	12,980
Plant and equipment	3,040	919
Furniture and fittings	9,304	7,207
	50,258	46,041
<i>Amortisation of intangible assets:</i>		
Franchise fee	13,173	13,173
	13,173	13,173
Total depreciation and amortisation expense	63,431	59,214

Charitable donations, sponsorship, advertising and promotion

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 sponsorships, grants and donations).

	2026 \$	2025 \$
Direct sponsorships, grants and donations	81,764	88,409
Contribution to the Community Enterprise Foundation™	52,631	105,263
	134,395	193,672

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 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.

Community Enterprise Foundation™ contributions

During the financial year the company 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.

Notes to the financial statements (continued)

Note 10 Expenses (continued)

	2026 \$	2025 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	524,360	488,826
Contributions paid in	52,632	105,789
Grants paid out	(143,095)	(86,902)
Interest received	20,241	22,436
Management fees incurred	(2,632)	(5,789)
Balance available for distribution	451,506	524,360

Note 11 Income tax expense

Amounts recognised in profit or loss

	2026 \$	2025 \$
<i>Current tax expense/(credit)</i>		
Current tax	212,254	190,638
Movement in deferred tax	1,621	(2,729)
	213,875	187,909

Prima facie income tax reconciliation

	2026 \$	2025 \$
Operating profit before taxation	822,090	716,406
Prima facie tax on profit/(loss) from ordinary activities at 25% (2025: 25%)	167,973	143,990
Prima facie tax on profit/(loss) from ordinary activities at 30% (2025: 30%)	45,060	42,134
Tax effect of:		
Non-deductible expenses	842	1,785
Temporary differences	(1,621)	2,729
Movement in deferred tax	1,621	(2,729)
	213,875	187,909

Deferred tax

	2026 \$	2025 \$
<i>Deferred tax assets</i>		
employee provisions	36,364	37,916
Total deferred tax assets	36,364	37,916
<i>Deferred tax liabilities</i>		
deductible prepayments	2,293	2,224
Total deferred tax liabilities	2,293	2,224
Deferred taxes brought to account	-	-
Net deferred tax assets (liabilities)	34,071	35,692

Notes to the financial statements (continued)

Note 11 Income tax expense (continued)

	2026 \$	2025 \$
Current tax		
Income tax payable/(refundable)	79,387	(18,459)

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 12 Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	2,810,912	2,226,124
	2,810,912	2,226,124

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:

	2026 \$	2025 \$
Cash at bank and on hand	2,810,912	2,226,124
	2,810,912	2,226,124

Note 13 Trade and other receivables

	2026 \$	2025 \$
<i>Current assets</i>		
Trade receivables	190,872	143,851
Prepayments	9,170	8,895
Other receivables and accruals	120	13,143
	200,162	165,889

Notes to the financial statements (continued)

Note 13 Trade and other receivables (continued)

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The 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

	2026 \$	2025 \$
<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	(349,086)	(324,151)
	648,303	673,238
<i>Leasehold improvements</i>		
At cost	363,031	363,031
Less: accumulated depreciation and impairment	(311,252)	(298,273)
	51,779	64,758
<i>Plant and equipment</i>		
At cost	21,305	21,305
Less: accumulated depreciation and impairment	(16,142)	(13,102)
	5,163	8,203
<i>Furniture and fittings</i>		
At cost	144,142	133,267
Less: accumulated depreciation and impairment	(127,596)	(118,291)
	16,546	14,976
Total written down amount	1,313,194	1,352,578

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

	2026 \$	2025 \$
<i>Land</i>		
Carrying amount at beginning	591,403	591,403
	591,403	591,403
<i>Buildings</i>		
Carrying amount at beginning	673,238	698,172
Depreciation	(24,935)	(24,934)
	648,303	673,238
<i>Leasehold improvements</i>		
Carrying amount at beginning	64,758	77,738
Depreciation	(12,979)	(12,980)
	51,779	64,758

Notes to the financial statements (continued)

Note 14 Property, plant and equipment (continued)

	2026 \$	2025 \$
<i>Plant and equipment</i>		
Carrying amount at beginning	8,203	-
Additions	-	9,123
Depreciation	(3,040)	(920)
	5,163	8,203
<i>Furniture and fittings</i>		
Carrying amount at beginning	14,976	8,782
Additions	10,874	13,402
Depreciation	(9,304)	(7,208)
	16,546	14,976
Total written down amount	1,313,194	1,352,578

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:

Asset class	Method	Useful life
Building	Straight-line	40 years
Leasehold improvements	Straight-line	10-12 years
Plant and equipment	Straight-line and diminishing value	3 years
Furniture, fixtures and fittings	Diminishing value	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 company. 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 company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 15 Intangible assets

	2026 \$	2025 \$
<i>Franchise fee</i>		
At cost	65,864	65,864
Less: accumulated amortisation and impairment	(52,691)	(39,518)
Total written down amount	13,173	26,346

Notes to the financial statements (continued)

Note 15 Intangible assets (continued)

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

	2026 \$	2025 \$
<i>Franchise fee</i>		
Carrying amount at beginning	26,346	39,518
Amortisation	(13,173)	(13,173)
Total written down amount	13,173	26,346

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
Franchise establishment 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 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 16 Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Other payables and accruals	184,034	136,219
	184,034	136,219
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	184,034	136,219
Statutory payables to the ATO included in trade and other payables	(67,653)	(49,390)
	116,381	86,829

Accounting policy for trade and other payables

Where the company 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.

Notes to the financial statements (continued)

Note 17 Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Provision for annual leave	51,589	62,779
Provision for personal leave	27,959	19,670
Provision for long service leave	45,134	53,007
	124,682	135,456
<i>Non-current liabilities</i>		
Provision for long service leave	20,769	16,205
	20,769	16,205

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.

Note 18 Issued capital

	2026		2025	
	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 company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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 group.

Notes to the financial statements (continued)

Note 18 Issued capital (continued)

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 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 company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

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

Note 19 Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. 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 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 year ended 30 June 2026 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.

Notes to the financial statements (continued)

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 2026		30 June 2025	
	Cents	\$	Cents	\$
Fully franked dividend	29.00	182,783	45.00	283,628
Total dividends provided for and paid during the financial year	29.00	182,783	45.00	283,628

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

	2026 \$	2025 \$
<i>Franking account balance</i>		
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	1,223,578	1,093,226
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	114,409	224,895
- Franking debits from the payment of franked distributions	(60,927)	(94,543)
Franking account balance at the end of the financial year	1,277,060	1,223,578
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	79,387	(18,459)
Franking credits available for future reporting periods	1,356,447	1,205,119

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 group.

Note 21 Financial risk management

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

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

The directors have identified that the only significant financial risk exposures of the consolidated entity 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.

Notes to the financial statements (continued)

Note 21 Financial risk management (continued)

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

	Note	2026 \$	2025 \$
Financial assets			
Trade and other receivables	13	200,162	165,889
Cash and cash equivalents	12	2,810,912	2,226,124
		2,392,013	3,011,074
Financial liabilities			
Trade and other payables	16	116,381	86,829
		116,381	86,829

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 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 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 5 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 company's income or the value of its holdings in financial instruments.

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

Notes to the financial statements (continued)

Note 21 Financial risk management (continued)

30 June 2026		Contractual cash flows		
Financial liability	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Trade payables	116,381	116,381	-	-
	116,381	116,381	-	-

30 June 2025		Contractual cash flows		
Financial liability	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Trade payables	86,829	86,829	-	-
	86,829	86,829	-	-

Note 22 Reconciliation of cash flows from operating activities

	2026 \$	2025 \$
Net profit after tax from ordinary activities	608,215	528,497
Adjustments for:		
- Depreciation	50,258	46,041
- Amortisation	13,173	13,173
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(33,996)	14,729
- (Increase)/decrease in other assets	(276)	1,488
- Increase/(decrease) in trade and other payables	47,816	(18,210)
- Increase/(decrease) in employee benefits	(6,211)	9,428
- Increase/(decrease) in tax liabilities	99,467	(36,988)
Net cash flows provided by operating activities	778,446	558,158

Note 23 Auditor's remuneration

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

	2026 \$	2025 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	8,470	7,300
<i>Non audit services</i>		
- General advisory services	18	64
- Share registry services	7,535	5,357
Total auditor's remuneration	16,023	12,721

Notes to the financial statements (continued)

Note 24 Key management personnel disclosures

The following persons were directors of the company 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
Sophie Caroline Reid (appointed 7/5/26)
Donna Theresa Burke (appointed 7/5/26)

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

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

Note 25 Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

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

Note 26 Earnings per share

	2026 \$	2025 \$
Profit attributable to ordinary shareholders	608,215	528,497

	Number	Number
Weighted-average number of ordinary shares	630,284	630,284
Basic and diluted earnings per share	96.50	83.85

Accounting policy for earnings per share

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

Note 27 Commitments

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

Notes to the financial statements (continued)

Note 28 Contingencies

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

Note 29 Events after the reporting period

On 3 September 2026, the Board approved a fully franked dividend of 29 cents per share, amounting to \$182,783, payable on 29 January 2027. As the dividend was approved after the reporting date, no liability has been recognised as at 30 June 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

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 2026.

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.

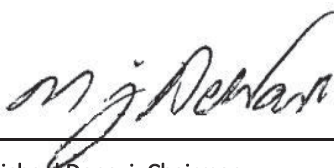
Directors' declaration

For the financial year ended 30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the 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, Chairman

Date: 16 September 2026

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 members of Clovelly Community Financial Services Limited

Report on the audit of the consolidated financial report

Our opinion

In our opinion, the accompanying consolidated financial report of Clovelly Community Financial Services Limited and its controlled entity (the consolidated entity), is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

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

- the Consolidated statement of financial position as at 30 June 2026
- the Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Consolidated statement of changes in equity for the year ended 30 June 2026
- the Consolidated statement of cash flows for the year ended 30 June 2026
- the 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 are independent of the consolidated entity 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 consolidated financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 consolidated entity's annual report for the year ended 30 June 2026 but does not include the consolidated financial report and our auditor's report thereon.



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Our opinion on the consolidated 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 consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of the directors for the financial report

The directors of the consolidated entity are responsible for the preparation of the consolidated financial report that 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 consolidated financial report that is free from material misstatement, whether due to fraud or error.

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

A further description of our responsibilities for the audit of the consolidated financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf 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: 16 September 2026

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

Adrian Downing
Lead Auditor

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