

Annual Report 2025

Corangamite Financial
Services Limited

Community Bank
Surf Coast

ABN 80 105 703 099



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Chairperson's report

For year ending 30 June 2025

It is with great pleasure that I present the Chairperson's Report for the 2024/25 financial year on behalf of Corangamite Financial Services Limited.

This year has been another significant one in our journey, with continued business growth, strong community investment, and forward looking strategic planning to ensure our long term sustainability.

We are proud to report \$46 million in business growth, taking our total business holdings to over \$500 million. This is an achievement we could scarcely have imagined when we first established our Winchelsea branch 22 years ago.

Our commitment to the community remains at the heart of everything we do. In FY25, we contributed more than \$107,000 to local initiatives, supporting over 50 community groups. This brings our total community contributions to more than \$4.7 million.

Our Community Investment Strategy continues to focus on key areas: Community Resilience & Development, Health & Social Wellbeing, Economy & Innovation, Environment, and Digital Empowerment. We are also proud to partner with like minded organisations to co fund important projects across the Surf Coast.

A standout milestone this year was the completion of the Winchelsea Community Bank Village. In partnership with Winanglo Inc, we invested \$1.5 million towards the construction of 10 independent living units. This unique development gives older residents the opportunity to remain in their community while also freeing up housing for new families a lasting legacy for Winchelsea.

The returns we deliver to our communities are only possible because of the strength of our banking business. Our dedicated team, led by Senior Manager Jeremy Morris and Branch Managers Matilda Pink, Julie Dunkley, and Daniel Norris, once again exceeded expectations. Their passion for providing exceptional, personal service, the kind of service that builds trust and advocacy is the cornerstone of our success.

On behalf of the Board, I extend sincere thanks to all our staff for their commitment, energy, and care. I would also like to acknowledge our Executive Officer, Michelle Stocks, who plays a vital role in the daily operations of the company and in supporting our valued shareholders.

We continue to be grateful for the support of our banking partner, Bendigo Bank, particularly Geelong Regional Manager David Tudor and the broader Bendigo Bank network. Their contribution, guidance, and collaboration remain central to our achievements.

I would also like to thank my fellow Board Directors for their dedication and countless volunteer hours. Their commitment ensures that Corangamite Financial Services Ltd remains strong, relevant, and deeply connected to the communities of Winchelsea, Anglesea, and Lorne.

As we look to the future, our strategic focus is clear:

- To remain relevant to our communities in an evolving banking landscape
- To deliver high quality banking solutions for our customers
- To ensure the profits generated continue to create meaningful community outcomes.

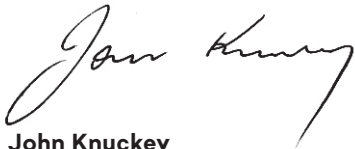
On behalf of the Board, I extend heartfelt thanks to you our customers, shareholders, and community partners. Your support is the foundation of all we achieve and the reason we continue to grow stronger together.

Chairperson's report (continued)

Looking ahead, the opportunity before us is simple: the more people who choose to bank with us, the greater the impact we can make. Every new account, every loan, and every service taken up through our Community Bank directly benefits the community we call home.

I encourage you, as loyal customers and shareholders, to be our strongest advocates. Share your experiences, recommend us to your family, friends, neighbours, and colleagues, and help others understand that when they bank with us, they are investing in their community's future while helping retain local banking services.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Knuckey', with a stylized, cursive script.

John Knuckey

Chairperson

Corangamite Financial Services Limited

Manager's report

For year ending 30 June 2025

We are proud to present the Manager's Report for the 2024/2025 financial year. It has been a year that combined strong growth, meaningful community engagement, and a continued focus on innovation. This year, our total business holdings surpassed \$500 million. Across our three branches, we achieved \$46 million in business growth, made up of \$6 million in lending growth and \$40 million in deposits.

We welcomed 1,540 new accounts, taking our customer base to 7,685, and saw continued improvement in our products-per-customer ratio. This is evidence that we are not just attracting new customers, but also deepening relationships with existing ones. This growth has been supported by the addition of more private offices in our refurbished branches, as well as staffing levels that allow us to provide each customer with personalised service and dedicated time to ensure they have the right products and services to position them for prosperity.

A particular highlight has been the work of our lending team. With a dedicated group of four, they have worked tirelessly to retain customers, ensuring they are on the best products for their needs, while also supporting new borrowers in a challenging economic climate and competitive lending environment.

While business growth was strong, the broader economic environment posed challenges. Contraction in interest margins and customer shifts toward lower-margin products led to revenue of \$2.96 million, down from \$3.27 million in FY24.

It is disappointing to grow our book by 9% and see a parallel decline in income. However, prudent management kept expenses slightly below last year. After community contributions, we delivered a profit after tax of \$148,655. This result reflects the resilience of our model and the discipline of our team in navigating headwinds.

Community remains at the heart of everything we do. Our impact is also seen in the way we empower customers. This year, we delivered a series of scam awareness training sessions, both in branch and out in the community. These sessions have helped build customer resilience against the ever changing risks of fraud and have been widely valued by attendees.

Our team and customers continue to evolve with the times and embrace digital tools as they are rolled out, with strong adoption of DocuSign, e-banking, and other digital options. These innovations have allowed us to seamlessly service customers across the country and given our customers the freedom to complete their banking at a time and place that suits them.

Our presence in the community extends far beyond business hours. Staff regularly participate in local events and initiatives, as highlighted across our Community Bank Surf Coast Facebook page, showing the genuine passion they have for our towns and their desire to give back.

The fulfilment we receive from putting customers in stronger financial positions and seeing the outcomes of our successful business flow back into the community continues to drive the dedication and passion of our staff. They consistently go the extra mile to serve our customers, from taking the time to help someone understand a digital product, staying after hours to support a business customer, or simply being present and approachable in branch and out in the community. We can't thank the team enough for their continued dedication.

We also wish to thank our volunteer Directors, including four who have been with us since inception in 2003. Their ongoing service, without personal financial reward, is driven solely by their passion for community is the key to our company's ongoing strength and success.

Manager's report (continued)

Looking Ahead

The year ahead will no doubt bring more challenges, but we remain focused on:

- Building on strong customer and community engagement
- Further adopting digital tools to make banking more accessible
- Investing in our people to ensure we deliver exceptional service
- Continuing to grow our banking business to reinvest profits back into the communities we serve.

We thank our customers, shareholders, and community partners for their ongoing trust and support.

Management Team – Winchelsea, Anglesea and Lorne Community Bank branches

Jeremy Morris – Senior Manager & Company Treasurer

Matilda Pink – Business

Julie Dunkley – Lending

Daniel Norris – People

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

Directors' report

30 June 2025

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

Directors

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

Name:	John McKenzie Knuckey
Title:	Non-executive director
Experience and expertise:	Business Proprietor - Engineering. Self employed in the agricultural retail and manufacturing industry for 40 years. Past executive of local sporting clubs. Long time local resident.
Special responsibilities:	Chair. Assets and Finance Committee, Executive Committee, Governance Committee, Marketing and Community Investment Committee.
Name:	Robert John Earl
Title:	Non-executive director
Experience and expertise:	Civil Contactor. Qualified Diesel Fitter and holds a Diploma of Occupational Health and Safety. Managed own business and staff since May 1988, ten years in heavy construction and mining. Former president of the Civil Contractors Federation for ten years, founding member of the Winchelsea Tourist and Traders, former member of the SES and Landcare and former mentor at the Winchelsea Primary School.
Special responsibilities:	Marketing and Community Investment Committee.
Name:	Kenneth Ian McDonald
Title:	Non-executive director
Experience and expertise:	Real Estate Consultant. Self-employed Real Estate Agent/extensive experience in agriculture. Long time local resident and community volunteer.
Special responsibilities:	Executive Committee.
Name:	John Hubert Tebbutt
Title:	Non-executive director
Experience and expertise:	Retired Barrister at Law. Barrister at Law for 43 years. Licensed Legal Practitioner and Accredited Mediator (Bond University). President Growing Winchelsea Inc. Former Member Strategic Advisory Board, Bendigo Bank. Volunteer of Geelong RSL. Former President of the Torquay Golf Club. Part time Farmer.
Special responsibilities:	Governance Committee.
Name:	Andrew Lindsay Jones
Title:	Non-executive director
Experience and expertise:	Management Consultant. Bachelor of Science, Graduate Diploma of Polymer Science & Graduate Diploma of Marketing. Founder and chair of a national business advisory business. Twenty years experience as General Manager of large manufacturing businesses on glass, packaging and building products industries. Director of Rotary Club of Belmont and APCO Foundation.
Special responsibilities:	Chair of Community Investment Committee
Name:	Gerard William Kelly
Title:	Non-executive director
Experience and expertise:	Retired Accountant. Bachelor of Commerce, 8 years with a major international accounting firm in Melbourne followed by 30 years in public practice in Colac, specialising in rural and small business. 30 years involvement with scouting in Colac. Strong family connections with Winchelsea and district.
Special responsibilities:	Company Secretary, Chair of Executive Committee
Name:	Moir Louise Thomson
Title:	Non-executive director
Experience and expertise:	Farmer and business owner. Bachelor of Commerce (Economics). Involved community member of Winchelsea.
Special responsibilities:	Chair of Marketing Committee. Executive Committee

Directors' report (continued)

Name: Lesley Therese Thornton
Title: Non-executive director
Experience and expertise: Evaluator and organisational development consultant with significant experience working with clients across community, health, mental health, and aged care, to support organisational, service and system improvement. Is an active member of the Lorne community.
Special responsibilities: Community Investment Committee

Name: Robert Bruce Cameron
Title: Non-executive director (appointed 27 August 2024)
Experience and expertise: Radio host, Sporting Commentator and Journalist. Worked across many sectors in the Agricultural industry over 40 years. Long time local resident, community volunteer and strong community focus over his lifetime.
Special responsibilities: Community Investment Committee

Company secretary

The Company secretary is Gerard William Kelly. Gerard was appointed to the position of Company secretary on 1 February 2022.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$148,655 (30 June 2024: \$167,225).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 6 cents per share (2024: 8 cents)	<u>85,272</u>	<u>113,696</u>

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Directors' report (continued)

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		Executive and Finance Committee	
	Eligible	Attended	Eligible	Attended
John McKenzie Knuckey	11	8	8	7
Robert John Earl	11	10	-	-
Kenneth Ian McDonald	11	11	8	8
John Hubert Tebbutt	11	8	-	-
Andrew Lindsay Jones	11	9	-	-
Gerard William Kelly	11	9	8	8
Moir Louise Thomson	11	9	8	7
Lesley Therese Thornton	11	8	-	-
Robert Bruce Cameron	11	9	-	-
	Community Investment Committee		Marketing Committee	
	Eligible	Attended	Eligible	Attended
John McKenzie Knuckey	5	1	-	-
Robert John Earl	5	3	-	-
Kenneth Ian McDonald	-	-	-	-
John Hubert Tebbutt	-	-	-	-
Andrew Lindsay Jones	5	5	-	-
Gerard William Kelly	-	-	-	-
Moir Louise Thomson	-	-	2	2
Lesley Therese Thornton	5	3	-	-
Robert Bruce Cameron	-	-	-	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
John McKenzie Knuckey	4,700	-	4,700
Robert John Earl	28,200	-	28,200
Kenneth Ian McDonald	1,800	-	1,800
John Hubert Tebbutt	-	-	-
Andrew Lindsay Jones	-	-	-
Gerard William Kelly	-	-	-
Moir Louise Thomson	-	-	-
Lesley Therese Thornton	-	-	-
Robert Bruce Cameron	-	-	-

Directors' report (continued)

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

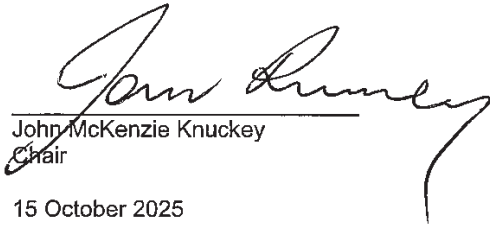
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Directors' report (continued)

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



John McKenzie Knuckey
Chair
15 October 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 Corangamite Financial Services Limited

As lead auditor for the audit of Corangamite 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: 15 October 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Financial statements

Corangamite Financial Services Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	2,950,948	3,241,542
Other revenue		12,861	27,262
Finance revenue		416	226
Total revenue		<u>2,964,225</u>	<u>3,269,030</u>
Employee benefits expense	7	(1,953,074)	(1,868,252)
Advertising and marketing costs		(55,422)	(47,743)
Occupancy and associated costs		(80,615)	(120,720)
System costs		(81,242)	(88,294)
Depreciation and amortisation expense	7	(221,549)	(223,270)
Finance costs	7	(52,167)	(52,741)
General administration expenses		(213,163)	(248,872)
Total expenses before community contributions and income tax		<u>(2,657,232)</u>	<u>(2,649,892)</u>
Profit before community contributions and income tax expense		306,993	619,138
Charitable donations, sponsorships and grants expense	7	<u>(107,533)</u>	<u>(402,801)</u>
Profit before income tax expense		199,460	216,337
Income tax expense	8	<u>(50,805)</u>	<u>(49,112)</u>
Profit after income tax expense for the year		148,655	167,225
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		-	190,806
Other comprehensive income for the year, net of tax		-	190,806
Total comprehensive income for the year		<u>148,655</u>	<u>358,031</u>
		Cents	Cents
Basic earnings per share	27	10.46	11.77
Diluted earnings per share	27	10.46	11.77

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

Financial statements (continued)

Corangamite Financial Services Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	108,683	31,752
Trade and other receivables	10	233,022	263,913
Total current assets		<u>341,705</u>	<u>295,665</u>
Non-current assets			
Investment properties		-	4,224
Property, plant and equipment	11	2,798,796	2,928,074
Right-of-use assets	12	225,106	256,872
Intangible assets	13	100,100	140,139
Total non-current assets		<u>3,124,002</u>	<u>3,329,309</u>
Total assets		<u>3,465,707</u>	<u>3,624,974</u>
Liabilities			
Current liabilities			
Trade and other payables	14	131,888	109,349
Borrowings	15	115,711	121,168
Lease liabilities	16	47,965	47,965
Current tax liabilities	8	36,519	37,061
Employee benefits	17	220,038	212,806
Total current liabilities		<u>552,121</u>	<u>528,349</u>
Non-current liabilities			
Trade and other payables	14	44,043	88,087
Borrowings	15	288,858	452,303
Lease liabilities	16	219,154	255,886
Deferred tax liabilities	8	174,368	189,662
Employee benefits	17	34,521	21,589
Provisions		3,822	3,661
Total non-current liabilities		<u>764,766</u>	<u>1,011,188</u>
Total liabilities		<u>1,316,887</u>	<u>1,539,537</u>
Net assets		<u>2,148,820</u>	<u>2,085,437</u>
Equity			
Issued capital	18	966,000	966,000
Revaluation reserve		372,794	372,794
Retained earnings		810,026	746,643
Total equity		<u>2,148,820</u>	<u>2,085,437</u>

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

Financial statements (continued)

Corangamite Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		966,000	181,988	693,114	1,841,102
Profit after income tax expense		-	-	167,225	167,225
Other comprehensive income, net of tax		-	190,806	-	190,806
Total comprehensive income		-	190,806	167,225	358,031
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	20	-	-	(113,696)	(113,696)
Balance at 30 June 2024		966,000	372,794	746,643	2,085,437
	Note	Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		966,000	372,794	746,643	2,085,437
Profit after income tax expense		-	-	148,655	148,655
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	148,655	148,655
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	20	-	-	(85,272)	(85,272)
Balance at 30 June 2025		966,000	372,794	810,026	2,148,820

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

Financial statements (continued)

Corangamite Financial Services Limited Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,258,873	3,561,623
Payments to suppliers and employees (inclusive of GST)		(2,716,521)	(2,937,346)
Interest received		416	226
Interest and other finance costs paid		(39,738)	(38,737)
Income taxes paid		(66,641)	(48,736)
Net cash provided by operating activities	26	436,389	537,030
Cash flows from investing activities			
Payments for property, plant and equipment	11	(16,243)	(359,788)
Payments for intangible assets		(40,040)	(40,040)
Net cash used in investing activities		(56,283)	(399,828)
Cash flows from financing activities			
Proceeds from borrowings		-	230,000
Repayment of lease liabilities		(36,732)	(35,151)
Interest and other finance costs paid		(12,268)	(13,849)
Dividends paid	20	(85,272)	(113,696)
Repayment of borrowings		(168,903)	(332,972)
Net cash used in financing activities		(303,175)	(265,668)
Net increase/(decrease) in cash and cash equivalents		76,931	(128,466)
Cash and cash equivalents at the beginning of the financial year		31,752	160,218
Cash and cash equivalents at the end of the financial year	9	108,683	31,752

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Corangamite Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 11 Main Street, Winchelsea, VIC 3241.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 October 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of financial assets

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

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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.

Notes to the financial statements (continued)

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

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Sublease classification

Judgement is required to determine the classification of the sublease as either an operating or a finance sublease.

Employee benefits provision

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

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

Notes to the financial statements (continued)

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

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

Note 5. Economic dependency

The company 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 December 2027.

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	2,537,899	2,855,648
Fee income	156,848	151,463
Commission income	256,201	234,431
	<u>2,950,948</u>	<u>3,241,542</u>

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

Margin income

Margin income on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission income

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

Fee income

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

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	1,685,002	1,581,376
Contributions to defined contribution plans	201,480	183,012
Expenses related to long service leave	1,179	22,820
Other expenses	65,413	81,044
	<u>1,953,074</u>	<u>1,868,252</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Buildings	37,830	43,017
Leasehold improvements	56,424	49,044
Furniture and fittings	30,153	31,251
Motor vehicles	21,114	23,831
	<u>145,521</u>	<u>147,143</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	31,766	34,197
Investment property	4,223	1,891
	<u>35,989</u>	<u>36,088</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	6,673	6,672
Franchise renewal fee	33,366	33,367
	<u>40,039</u>	<u>40,039</u>
	<u>221,549</u>	<u>223,270</u>

Finance costs

	2025 \$	2024 \$
Bank loan interest paid or accrued	39,605	38,738
Lease interest expense	12,268	13,849
Unwinding of make-good provision	161	154
Other finance costs	133	-
	<u>52,167</u>	<u>52,741</u>

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

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	107,533	117,801
Contribution to the Community Enterprise Foundation™	-	285,000
	<u>107,533</u>	<u>402,801</u>

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

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

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	66,099	61,969
Movement in deferred tax	(15,294)	55,745
Under/over provision in respect to prior years	-	(5,000)
Deferred tax on revaluation increment recognised at FVTOCI	-	(63,602)
Aggregate income tax expense	<u>50,805</u>	<u>49,112</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>199,460</u>	<u>216,337</u>
Tax at the statutory tax rate of 25%	49,865	54,084
Tax effect of:		
Non-deductible expenses	<u>940</u>	<u>28</u>
Under/over provision in respect to prior years	<u>50,805</u>	<u>54,112</u>
	-	(5,000)
Income tax expense	<u>50,805</u>	<u>49,112</u>
	2025 \$	2024 \$
<i>Deferred tax liabilities / (assets)</i>		
Property, plant and equipment	249,467	259,865
Right-of-use assets	56,277	65,274
Lease liabilities	(66,780)	(75,963)
Employee benefits	(63,640)	(58,599)
Provision for lease make good	(956)	(915)
Deferred tax liability	<u>174,368</u>	<u>189,662</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Provision for income tax	<u>36,519</u>	<u>37,061</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>108,683</u>	<u>31,752</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	222,528	254,369
Prepayments	<u>10,494</u>	<u>9,544</u>
	<u>233,022</u>	<u>263,913</u>

Accounting policy for trade and other receivables

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

Notes to the financial statements (continued)

Note 11. Property, plant and equipment

	2025 \$	2024 \$
Winchelsea land - at fair value	257,178	257,178
Anglesea land - at fair value	600,000	600,000
	<u>857,178</u>	<u>857,178</u>
Winchelsea building - at fair value	348,707	348,707
Anglesea building - at fair value	1,000,000	1,000,000
Less: Accumulated depreciation	(100,269)	(62,439)
	<u>1,248,438</u>	<u>1,286,268</u>
Leasehold improvements - at cost	741,642	736,429
Less: Accumulated depreciation	(198,062)	(141,638)
	<u>543,580</u>	<u>594,791</u>
Plant and equipment - at cost	13,377	13,377
Less: Accumulated depreciation	(13,377)	(13,377)
	<u>-</u>	<u>-</u>
Furniture and fittings - at cost	328,372	317,342
Less: Accumulated depreciation	(221,274)	(191,121)
	<u>107,098</u>	<u>126,221</u>
Motor vehicles - at cost	228,460	228,461
Less: Accumulated depreciation	(185,958)	(164,845)
	<u>42,502</u>	<u>63,616</u>
	<u>2,798,796</u>	<u>2,928,074</u>

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

	Land \$	Buildings \$	Leasehold improvements \$	Furniture and fittings \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	541,775	1,390,280	312,782	128,737	87,447	2,461,021
Additions	-	-	331,053	28,735	-	359,788
Revaluation increments	315,403	-	-	-	-	315,403
Revaluation decrements	-	(60,995)	-	-	-	(60,995)
Depreciation	-	(43,017)	(49,044)	(31,251)	(23,831)	(147,143)
Balance at 30 June 2024	857,178	1,286,268	594,791	126,221	63,616	2,928,074
Additions	-	-	5,213	11,030	-	16,243
Depreciation	-	(37,830)	(56,424)	(30,153)	(21,114)	(145,521)
Balance at 30 June 2025	<u>857,178</u>	<u>1,248,438</u>	<u>543,580</u>	<u>107,098</u>	<u>42,502</u>	<u>2,798,796</u>

Fair value

The fair value of property was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's investment property portfolio every 3 to 5 years.

The company's Anglesea property was independently valued effective 17 May 2024 by Hendry Consulting.

The company's Winchelsea property was independently valued effective 28 March 2022 by Hendry Consulting.

Notes to the financial statements (continued)

Note 11. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

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

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

Building	20 to 40 years
Leasehold improvements	5 to 40 years
Furniture and fittings	1 to 40 years
Motor Vehicles	8 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	433,132	401,512
Less: Accumulated depreciation	(208,026)	(144,640)
	<u>225,106</u>	<u>256,872</u>

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

	Land and buildings \$
Balance at 1 July 2023	290,573
Remeasurement adjustments	496
Depreciation expense	<u>(34,197)</u>
Balance at 30 June 2024	256,872
Depreciation expense	<u>(31,766)</u>
Balance at 30 June 2025	<u>225,106</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Notes to the financial statements (continued)

Note 13. Intangible assets

	2025 \$	2024 \$
Franchise fee	289,426	289,426
Less: Accumulated amortisation	(272,742)	(266,069)
	<u>16,684</u>	<u>23,357</u>
Franchise renewal fee	336,448	336,448
Less: Accumulated amortisation	(253,032)	(219,666)
	<u>83,416</u>	<u>116,782</u>
	<u>100,100</u>	<u>140,139</u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	30,029	150,149	180,178
Amortisation expense	(6,672)	(33,367)	(40,039)
Balance at 30 June 2024	23,357	116,782	140,139
Amortisation expense	(6,673)	(33,366)	(40,039)
Balance at 30 June 2025	<u>16,684</u>	<u>83,416</u>	<u>100,100</u>

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Other payables and accruals	<u>131,888</u>	<u>109,349</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>44,043</u>	<u>88,087</u>

Notes to the financial statements (continued)

Note 14. Trade and other payables (continued)

	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	175,931	197,436
Less GST Payable to the ATO, included in trade and other payables	(55,138)	(29,944)
	<u>120,793</u>	<u>167,492</u>

Note 15. Borrowings

	2025 \$	2024 \$
<i>Current liabilities</i>		
Bank loans	<u>115,711</u>	<u>121,168</u>
<i>Non-current liabilities</i>		
Bank loans	<u>288,858</u>	<u>452,303</u>

Bank loans

A bank loan was taken out to fund the fitout of the Anglesea branch building. Interest is recognised at the rate of 6.55% (2024: 7.10%). The loans are secured by a fixed and floating charge over the company's assets.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Property lease liabilities	<u>47,965</u>	<u>47,965</u>
<i>Non-current liabilities</i>		
Property lease liabilities	<u>219,154</u>	<u>255,886</u>
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	303,851	338,626
Remeasurement adjustments	-	376
Lease interest expense	12,268	13,849
Lease payments - total cash outflow	<u>(49,000)</u>	<u>(49,000)</u>
	<u>267,119</u>	<u>303,851</u>

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Lorne Branch	4.39%	5 years	1 x 5 years	Yes	September 2031

Notes to the financial statements (continued)

Note 16. Lease liabilities (continued)

Accounting policy for lease liabilities

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

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

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

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	127,925	113,952
Long service leave	92,113	98,854
	<u>220,038</u>	<u>212,806</u>
<i>Non-current liabilities</i>		
Long service leave	<u>34,521</u>	<u>21,589</u>

Accounting policy for short-term employee benefits

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

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

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>1,421,200</u>	<u>1,421,200</u>	<u>966,000</u>	<u>966,000</u>

A bonus share issue on a 4:5 basis (455,200 shares) was issued to all existing shareholders during 2007.

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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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 company.

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 303. As at the date of this report, the company had 450 shareholders (2024: 459 shareholders).

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

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

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

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 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 financial year can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 20. Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 6 cents per share (2024: 8 cents)	85,272	113,696

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	276,457	265,620
Franking credits (debits) arising from income taxes paid (refunded)	66,641	48,736
Franking debits from the payment of franked distributions	(28,424)	(37,899)
	314,674	276,457

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

Balance at the end of the financial year	314,674	276,457
Franking credits (debits) that will arise from payment (refund) of income tax	36,519	37,061
Franking credits available for future reporting periods	351,193	313,518

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Notes to the financial statements (continued)

Note 21. Financial risk management

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

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

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

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

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

	2025 \$	2024 \$
Financial assets		
Trade and other receivables excluding prepayments (note 10)	222,528	254,369
Cash and cash equivalents (note 9)	108,683	31,752
	<u>331,211</u>	<u>286,121</u>
Financial liabilities		
Trade and other payables (note 14)	120,793	167,492
Lease liabilities (note 16)	267,119	303,851
Bank loans (note 15)	404,569	573,471
	<u>792,481</u>	<u>1,044,814</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

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

The company held cash and cash equivalents of \$108,683 at 30 June 2025 (2024: \$31,752).

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2025		2024	
	Nominal interest rate %	Balance \$	Nominal interest rate %	Balance \$
Bank loans	7.13%	404,569	7.10%	573,471
Net exposure to cash flow interest rate risk		<u>404,569</u>		<u>573,471</u>

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Bank loans	115,711	288,858	-	404,569
Trade and other payables	76,750	44,043	-	120,793
Lease liabilities	49,000	196,001	59,345	304,346
Total non-derivatives	<u>241,461</u>	<u>528,902</u>	<u>59,345</u>	<u>829,708</u>

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Bank loans	121,168	452,303	-	573,471
Trade and other payables	79,405	88,087	-	167,492
Lease liabilities	49,000	196,001	108,345	353,346
Total non-derivatives	249,573	736,391	108,345	1,094,309

Note 22. Fair value measurement

The following tables detail the company's assets and liabilities, measured or disclosed 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2025				
Assets				
Land and buildings	-	2,205,885	-	2,205,885
Total assets	-	2,205,885	-	2,205,885

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2024				
Assets				
Land and buildings	-	2,205,885	-	2,205,885
Total assets	-	2,205,885	-	2,205,885

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 23. Key management personnel disclosures

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

John McKenzie Knuckey
Robert John Earl
Kenneth Ian McDonald
John Hubert Tebbutt
Andrew Lindsay Jones

Gerard William Kelly
Moira Louise Thomson
Lesley Therese Thornton
Robert Bruce Cameron

Notes to the financial statements (continued)

Note 23. Key management personnel disclosures (continued)

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	4,000	3,000

Compensation of the company's key management personnel includes fuel reimbursements.

Note 24. Related party transactions

Key management personnel

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company made a sponsorship to a local business where a company director is on the committee	6,000	9,000
The company made sponsorship to a local business where a company director is the partner of board member	-	3,040

Note 25. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,950	8,650
<i>Other services</i>		
Taxation advice and tax compliance services	1,790	3,150
General advisory services	6,405	6,477
	8,195	9,627
	17,145	18,277

Notes to the financial statements (continued)

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	148,655	167,225
Adjustments for:		
Depreciation and amortisation	221,550	223,270
Lease liabilities interest	12,268	13,849
Change in operating assets and liabilities:		
Decrease in trade and other receivables	30,891	52,260
Increase in trade and other payables	18,536	55,500
Increase/(decrease) in provision for income tax	(542)	8,235
Decrease in deferred tax liabilities	(15,294)	(7,858)
Increase in employee benefits	20,164	24,395
Increase in other provisions	161	154
Net cash provided by operating activities	<u>436,389</u>	<u>537,030</u>

Note 27. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>148,655</u>	<u>167,225</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,421,200</u>	<u>1,421,200</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,421,200</u>	<u>1,421,200</u>
	Cents	Cents
Basic earnings per share	10.46	11.77
Diluted earnings per share	10.46	11.77

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

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

Directors' declaration

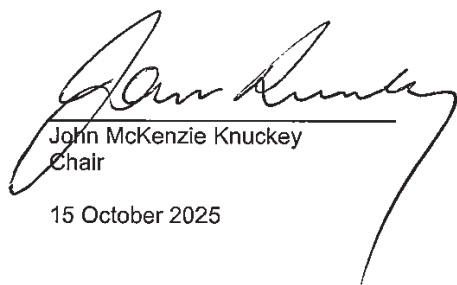
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



John McKenzie Knuckey
Chair

15 October 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 Corangamite Financial Services Limited

Report on the audit of the financial report

Our opinion

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

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



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

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: 15 October 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Community Bank · Surf Coast

Community Bank · Winchelsea & District
11 Main Street, Winchelsea VIC 3241
Phone: 03 5267 3189
Web: bendigobank.com.au/winchelsea

Community Bank · Anglesea & District
65 Great Ocean Road, Anglesea VIC 3230
Phone: 03 5263 3906
Web: bendigobank.com.au/anglesea

Community Bank · Lorne
1/32 Mountjoy Parade, Lorne VIC 3232
Phone: 03 5289 1787
Web: bendigobank.com.au/lorne

Franchisee: Corangamite Financial Services Limited
ABN: 80 105 703 099
11 Main Street, Winchelsea VIC 3241
Phone: 03 5267 3189



/communitybanksurfcoast

