Annual Report 2025

East Malvern Community
Financial Services Limited



Community Bank Malvern East, Murrumbeena and Wantirna

ABN 27 089 542 174

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Chairman's report

For year ending 30 June 2025

It is my pleasure to report on what has been another wonderful year, where the Company has achieved record profitability with numerous significant developments, including:

- · Our Company further enhanced its ESG credentials by becoming officially certified as a social enterprise by Social Traders.
- In December a highly successful capital raise was undertaken raising over \$818,000 at \$4.00 per share from 95 shareholders, 27 of whom were new to our social enterprise.
- On 6th May this year the 25th anniversary of the Community Bank Malvern East opening was celebrated in style at Kooyong Tennis Club with over 190 guests including community partners, shareholders, senior Bendigo Bank executives and many past and present directors and staff.
- · Releasing the "Impact Report The First 25 Years" booklet a copy of which has been sent to all shareholders.
- · Major milestones were passed with well more than \$500,000 distributed to community partners in FY25 and the cumulative total now surpassing \$6m.
- The second full year of paying quarterly dividends was completed with a record \$369,000 distributed/declared to shareholders as fully franked dividends.
- · Planning was completed for a transformative refurbishment of Community Bank Wantirna which was subsequently completed in the first 2 weeks of July 2025.

Key financial metrics were as follows:

\$'000	2025	2024	Change
Revenue	4,615	4,014	up 15%
Operating profits before sponsorships and tax	1,516	1,484	up 2%
Sponsorships and donations	527	401	up 31%
Shareholder's equity	3,938	2,725	up 45%
Net assets per share	\$4.04	\$3.54	up 14%
Dividends per share (declared/paid)	40 cents	36 cents	up 11%
Branch footings	661.9m	627.3m	up 6%

The record returns have flowed through to all stakeholders with sponsorships to our community partners increasing by \$126,000 or 31% from the pcp and dividends per share increased to 40 cents per share for the full year, up 11% on the previous year. This was on the back of a 27% expansion of the equity base following the issue of 204,659 shares at \$4.00 in December last year with the new shares eligible for the FY25 Q2 dividend.

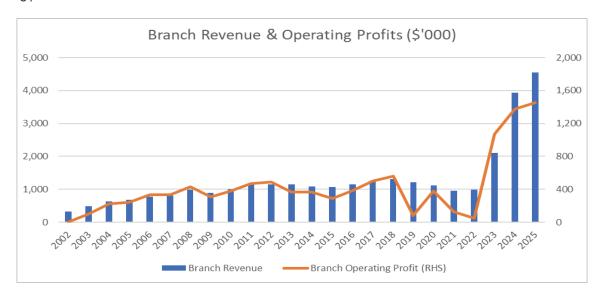
As a result of the equity issue and the boost to retained earnings from the strong profitability, total shareholder's equity increased by \$1,213,000 or 45% to \$3,938,000 (\$2,725,000 pcp) strengthening the Company's balance sheet and positioning our social enterprise for further growth. Over the course of the year, even as the shares on issue increased by 27% the net assets per share increased by 14% to \$4.04 benefitting all shareholders.



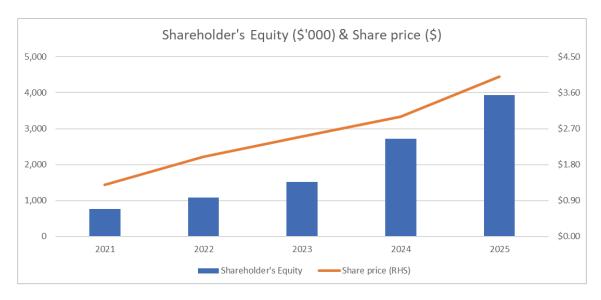
Business Transformation

Beginning in 2021 our social enterprise has progressed through a period of significant transformation. The long term trend across the financial services industry of a gradual decline in interest margins was accelerated with the Covid pandemic and it became increasingly obvious that the status quo for our business was not sustainable for the long term.

Over the last 4 years the Malvern East premises was acquired to stabilise costs and substantially enhanced both internally and externally. The addition of Community Bank Wantirna and Community Bank Murrumbeena soon followed enabling our social enterprise to make a decisive break from the long term average for both Branch revenue and operating profits.



The growth initiatives have in part been facilitated by 3 capital raises, each time at a higher share price with greater amounts raised demonstrating strong support from our existing and new shareholders.



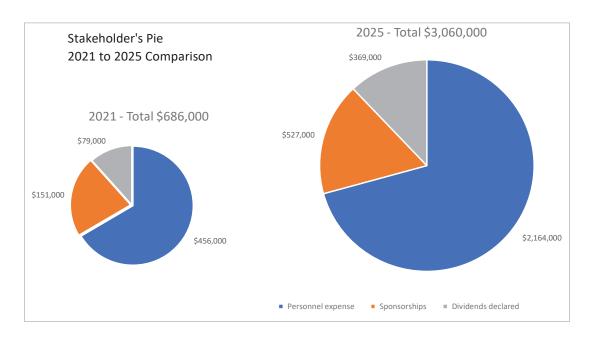
The change in dividend policy to paying quarterly fully franked dividends has been well received as has the recent official certification of our Social Enterprise status.

During this period the Company's share price has more than tripled and shareholder's equity increased by 411% from \$771,000 to \$3,938,000.

The long term sustainability and purpose of most social enterprise is about growing the pie so that the benefits to all stakeholders continues to expand. Our Community Banking social enterprise is no different and it is very pleasing to see that all our key stakeholders; staff, community partners and shareholders have seen very substantial increases over the last 4 years.

Chairman's report (continued)





The transformation of our social enterprise has been funded by a balanced combination of equity, retained earnings and carefully managed debt. Following the purchase of the revenue rights for Community Bank Murrumbeena 19 months ago, total debt subsequently peaked at \$4,147,000 as at 31 December 2023 with a debt to equity ratio of 1.74. In the subsequent 18 months the strong cashflows from the business allowed the Company to repay and close one of the Company's loan facilities 2 years ahead of schedule with total debt reducing by \$1,426,000 to \$2,721,000 (\$3,695,000 pcp) as at 30 June 2025. During the same time the debt to equity ratio has fallen by more than 60% to 0.69 (1.36 pcp) due to both debt repayments and the continued build up of retained earnings.

The transformation journey is ongoing, as are the margin pressures, and your Company sees many growth opportunities ahead.

Mission Statement

At last year's AGM shareholders approved a special resolution for the Company to formally adopt a mission statement, as follows:

East Malvern Community Financial Services Ltd mission is to be a substantial, sustainable community-built business that contributes to community prosperity.

As part of that same special resolution which was an integral step in seeking certification with Social Traders, the Company committed to the following dividend and distribution statement:

While East Malvern Community Financial Services Ltd operates as a social enterprise and maintains its certification with Social Traders, in distributing dividends in any 12 month period, the distribution for the period must not exceed an amount equivalent to or more than the verified public or community benefit (which is accepted by Social Traders) and/or otherwise must meet the relevant certification criteria of Social Traders.

For our social enterprise this is nothing new as sponsorships and donations distributed to our community partners have always exceeded dividends paid to shareholders. This is just who we are, as a for purpose for profit social enterprise that balances returns to all stakeholders.

Having independent and widely recognized certification of our social enterprise remains a point of difference generally across the financial services industry and certainly with our major bank competitors. On going it is expected to strengthen our ESG appeal with segments of existing and new customers, staff and shareholders. It will also compliment the great works many of our community partners are engaged in.

Chairman's report (continued)

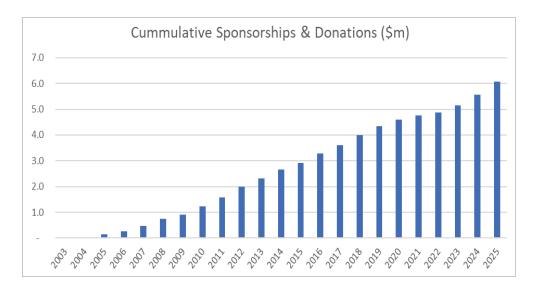


Community Sponsorships

In FY25 our social enterprise again more than met the objectives our new mission statement with total sponsorships significantly higher than dividends paid to shareholders.

Many of the community partners we support are highlighted in the "Impact Report – The First 25 Years" booklet which I would encourage all shareholders to take the time to read as each of you are very much part of the story in providing the capital to sustain and grow our social enterprise.

This year sponsorships increased by 31% to \$527,000 (\$401,000 pcp) as our social enterprise reached out to new community partners following the additions of Community Bank Wantirna and Murrumbeena. Over the course of the last 12 months our social enterprise helped 68 separate community partners.



Our social enterprise provides grants to many Community Partners throughout the year, and this is outlined in more detail in the Sponsorship Committee Report and the "Impact Report – The First 25 Years" booklet. We see our Community Partners as valuable relationships to be nurtured for the long term and look forward to expanding the breadth of the sponsorship programme which has now seen \$6,084,000 distributed to community partners since our sponsorship programme began.

Dividends

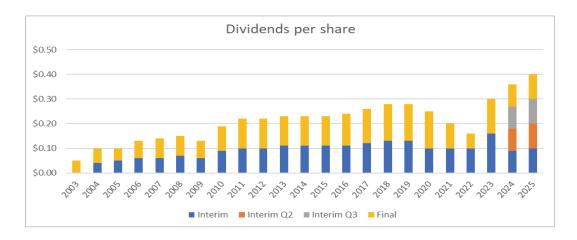
Two years ago the Company changed its policy of semi-annual dividend payments to pay quarterly dividends on the last business day in October, January, April and July of each year. In the first quarter of each new financial year the Board intends to advise shareholders what the expected quarterly dividend is likely to be for that financial year.

The intention is to provide shareholders with a stable and regular flow of dividends that respects the distribution limit in the Franchise Agreement with Bendigo Bank and the Mission Statement that shareholders approved at last year's AGM.

In line with the strong current year operating results the Board resolved to pay the following quarterly fully franked dividends in FY25:

FY25 Q1 Interim dividend of 10 cents per share
 FY25 Q2 Interim dividend of 10 cents per share
 FY25 Q3 Interim dividend of 10 cents per share
 FY25 Q4 Final dividend of 10 cents per share
 Paid 31 January 2025
 Paid 30 April 2025
 PY25 Q4 Final dividend of 10 cents per share
 Paid 31 July 2025

The FY25 Q4 Final dividend also marks the 49th consecutive dividend that the Company has paid.



For original shareholders dividends paid/declared up until this year end have totalled \$4.85 per share, all of which have been fully franked apart from the initial two dividend payments.

FY26 Q1 dividend declaration

Subsequent to year end and reflecting the expected strong FY26 operating results, the Board has resolved to pay the Company's first quarterly dividend of 11 cents per share fully franked as the FY26 Q1 Interim dividend to all shareholders on record as at 17 October 2025. The dividend will be payable on 31 October 2025.

The expectation is that unless circumstances change materially the declared quarterly dividends will be held stable at 11 cents per share fully franked for the remaining quarters of FY26.

Cumulative Community Returns

As always, the Board strives to keep the balance right between all our stakeholders including shareholders while staying true to the spirit of the Community Bank model. Since the business started through to the current year, but excluding the FY26 Q1 dividend declared subsequent to year end, the cumulative returns to the community and shareholders are as follows:

Retained earnings	\$ 1,616,000	12%
CB network re-investment	\$ 4,150,000	29%
Dividends paid/payable to shareholders	\$ 2,296,000	16%
Sponsorships and donations	\$ 6,084,000	43%

Board of Directors

The role and time commitments of the Board continue to expand in order to help realise many of the available opportunities in growing and building a sustainable social enterprise along with meeting regulatory compliance requirements as our Company has expanded it's geographic reach, Community Partner programmes and operations.

On behalf of all shareholders, I thank Ruth and her whole team for the great operational and financial results, the successful branch integrations and the continuing dedication to customer service across the three communities where we now service 12,500 customers.

I want to acknowledge the dedication and time the directors provide in guiding this Company for the benefit of all stakeholders. Actively working with our business partner Bendigo Bank has been essential to achieving this and many other positive outcomes for both the Company and the many Community Partners that rely on us.

Chairman's report (continued)



The Board comprises of: -

Stuart Martyn - Chairman

Philip Williamson – Deputy Chairman

Melissa Hartmann-Company Secretary

Michael Arbon

Anne Parsonson

Alistair Macleod

Finally, I want to thank those who are currently supporting our Community Bank branches with their banking business and look forward to that support continuing in the future.

Stuart Martyn

Chairman

General Manager's report

For year ending 30 June 2025

Our financial performance has been strong again in the year ending 30 June 2025, with total footings growing by \$34.6 million to reach \$661.9 million. We've also welcomed more customers, bringing our total customer numbers to over 12,500. Pleasingly, our existing customers are deepening their relationships with us, as evidenced by an increase in products per customer from 2.58 to 2.70. This is due to the exceptional customer service delivered by our diverse and highly committed teams.

To support this growth in footings and customer numbers and ensure continued success, we undertook a comprehensive business review, resulting in a restructure to optimise our operations and improve customer experience.

This review led to the creation of our Lending Hub, headed up by Senior Lending Manager, Mark Davenport. Mark brings a wealth of experience to this role, including many years as a Mobile Relationship Manager and experience within the bank's credit department.

Adding to our strength, we're proud to announce the promotion of Taylor Speechley to Senior Branch Manager, with responsibility for both Community Bank Malvern East and Community Bank Murrumbeena branches, Taylor's expanded role, and the creation of the Lending Hub will further enhance our ability to deliver outstanding service to our valued customers.

Additionally, Tyler Catherine at our Community Bank Murrumbeena branch has been promoted to a Home Lending Specialist, a move that is well deserved and aligns with our strategic plan to foster internal growth and provide career opportunities for our valued employees.

Further demonstrating our commitment to responsible business practices, we are pleased to announce acceptance as a Social Trader, a decision approved by shareholders at last year's AGM. This status will enable us to attract and better serve customers who are increasingly focused on ESG factors when making financial decisions.

A full refurbishment of the Community Bank Wantirna branch has been completed. This major project delivers significant improvements in operational efficiencies for our staff, enhances the customer experience, modernises the branch's visual identity and ensures Community Bank Wantirna is compliant with Bendigo Bank marketing and signage.

The Community Bank Wantirna branch refurbishment is strategically aligned with our broader strategic plan, which includes a commitment to both digital transformation and a strong presence in our community through the retention of physical branches. This reflects our understanding that customers value having a choice in how they conduct their banking, whether it's via phone, online or in person. The refurbishment is designed to create a seamless omnichannel experience that supports this choice.

Community Bank Wantirna branch now also has the ability to host intimate customer and community events. Future-proofing the Community Bank Wantirna branch was integral in our design planning to ensure the branch remains a valuable resource for the community for years to come regardless of how banking technology evolves. This approach also strengthens our relationship with the community and reinforces our position as a trusted financial partner, whilst demonstrating our deep commitment to the local Knox community.

The Community Bank Malvern East 25th Anniversary celebration held at Kooyong Tennis club was enjoyed by 198 guests, made up of local dignitaries, Bendigo Bank executives, shareholders, community groups, customers, as well as past and present directors and staff.

During the evening, we announced the inaugural Peter Norman Community Grant. This prestigious award will be awarded each year to a deserving community group, providing vital funding to support their important work. This grant honours the legacy of Peter Norman and reflects our ongoing commitment to investing in the communities we serve.

Manager's report (continued)



Also awarded at the 25th anniversary was a service award to Stuart Martyn for his unwavering 25 years of service. With Stuart being a founding board member, who also served on the steering committee that was charged with establishing the Community Bank Malvern East branch, his service could be said to be 26 years, this is a wonderful achievement by Stuart, especially considering Community Banking is just celebrating its 27th year.

We produced our first Community Impact Report to coincide with our Community Bank Malvern East branch 25th Anniversary, the booklet showcases some of the amazing community groups we were able to support in the 2024/25 year. With the booklet available in each of our branches and on our webpage for all staff to showcase when visiting our community partners, we can visually demonstrate one more point of difference from the big four banks to our customers and potential customers alike.

Due to Ilonka, in her capacity as Marketing and Social Media Manager, our social media presence has significantly improved in consistency and professionalism. We not only advertise our banking products and services but actively promote and celebrate community events, sharing fun posts and reels to engage with our audience. This allows us to reach a wider audience and showcase our commitment to the community. We try to celebrate all community partners when we confirm their sponsorship and grant approvals.

This demonstrates our support for community partners such as Cheltenham Light Opera Company (CLOC) with ticket sales for their theatre productions, MAD Foundation in building public awareness of the amazing work they do supporting children and young people living with disability or the hard-working volunteers in Knox who are celebrated via the Tilly Aston Awards.

Please take the time to follow us on Facebook and Instagram, if you have them, this will also help us grow our social media presence.

We've invested over \$500,000 across 68 community groups this year, supported by the SmartyGrants platform, which has streamlined our sponsorship and grant application process. This ensures more of our resources go directly towards supporting vital community initiatives.

To my leadership team and llonka, I express my sincere appreciation for their unwavering support of myself, our dedicated staff and the entire business. Their commitment and hard work have been instrumental in achieving these positive results, and I am deeply grateful for their contributions.

My heartfelt thanks to Bendigo Corporate staff, including Kristy Marshall, Regional Manager; Simon Sponza, Strategic Performance Manager; and Michael Haig, Project Manager, who was instrumental in delivering our refurbished Community Bank Wantirna branch.

I would also like to extend my personal thanks to Stuart and the board for their ongoing support and invaluable guidance throughout this amazing journey.

Ruth Hall

General Manager

Sponsorship report

For year ending 30 June 2025



Our Community Impact

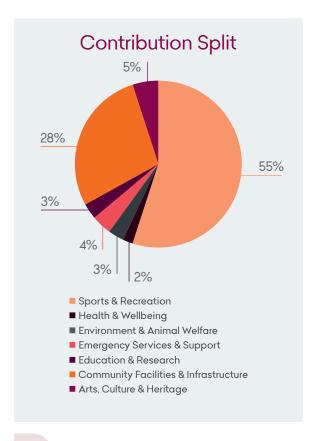
Since opening our first branch 25 years ago, Community Bank Malvern East, Murrumbeena, and Wantirna have proudly contributed over \$6 million back into local communities. This support strengthens the organisations, clubs, and groups that form the heart of our neighbourhoods, empowering initiatives that grow, thrive, and make a lasting difference in people's lives. Over the past year alone, 68 local groups benefited from over \$500,000 in sponsorships and grants.

These contributions support a wide range of programs and activities across key areas, Sport and Recreation; Education and Research; and Arts, Culture and Heritage — each showcasing our deep commitment to building a stronger and more inclusive community.

Each dollar reinvested supports grassroots projects, encourages inclusion, and contributes to the development of a robust and resilient community.

Your ongoing support makes this impact possible. Switching to Bendigo Bank is simple, with exceptional service, plus all the products and technology of Australia's most trusted bank.

Michael Arbon Chairman Marketing



Below is the full list of community partners we have supported this year.

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Arts
Chapel On Chapel
CLOC Amateur Theatre
Glen Eira Cheltenham Art Group
Hughesdale Art Group
Knox Art Show
Knox Wind Symphony
Malvern Artists Society
Malvern Theatre Company
Health
MAD Foundation
Education
Malvern Special Needs Playgroup
The Knox School
St Catherine's Primary School
Story Dogs

Sponsorship report (continued)



Sports	
Aurora Calisthenics	Murrumbeena Park Bowls Club
Bentleigh Bowls Club	Murrumbeena Tennis Club
Bentleigh Football Club	Oakleigh Bowling Club
Bentleigh Uniting Cricket Club	Oakleigh Cricket Club
Caulfield Grammarians Football Club	Oakleigh Football Netball Club
Coatesville Bowls club	Old Melburnian's Amateur Football Club
Chadstone Bowls Club	Old Xaverian's Amateur Football Club
Collegians Football Club	Ormond Amateur Football Club
Caulfield Cricket Club	Ormond Cricket Club
De La Salle Football Club	Prahran Cricket Club
East Bentleigh Central Cricket Club	Prahran Amateur Football Club
East Bentleigh Cricket Club	Prahran Junior Football Club
East Malvern Football Netball Club	Salesian Old Boys Cricket Club
East Malvern Tooronga Cricket Club	Scotchmans Creek Golf Club
East Oakleigh Cricket Club	St Kevin's Old Boys Football Club
E.E. Gunn Reserve – Scoreboard for Ormond sporting	St Pauls Football Club
groups	
Glen Eira Amateur Football Club	St Peters Football Club
Malvern Bowls Club	Southern Football Netball League
Malvern Cricket Club	Southern Golf Club
Malvern Valley Cricket Club	Southern Knights Bowls Club
Malverndale Ladies Golf	Templeton Tennis Club
Manhatton Eightball Club	Toorak Park Users Group
Murrumbeena Community Bowls Club	Victorian Sub District Cricket Assoc
Murrumbeena Football Club	Victorian Sub District Cricket Umpires Association
Murrumbeena Junior Football Club	Wantirna South Junior Football Club
Community	
4th East Malvern Girl Guides	Knox RSL Fishing Club
Beauville Avenue Community - Defibrillator	Knox Wind Symphony Inc
Carnegie Lions Club	Malvern Historical Society
Caulfield South Community House	Orano house
Chinese Association of Victoria	Outer East Food Share
East Malvern Combined Probus Club	Peoples Choir
East Malvern Food & Wine Festival	Phoenix House Neighbourhood House
East Malvern Men's Shed	Rotary Club of Chadstone – Sleep Out Rough Event
East Malvern RSL Anglers Club	Studfield Wantirna Newspaper
Glen Eira Historical Society	Tilly Aston Awards
Knox Business Awards	Toorak Park Users Group
Knox Infolink	Vermont Men's Shed
Knox Nocturnals	Warriors 4 Wildlife

Sponsorship report (continued)





Launch of the Peter Norman Community Grant

During Community Bank Malvern East's 25th Anniversary celebration, we were proud to launch the Peter Norman Community Grant — established in honour of our founding Chairman and Medal of the Order of Australia recipient, Peter Norman.

The inaugural recipient of the grant was The Currajong School, a specialist primary school supporting students with social, emotional, and behavioural needs. Established in 1974, the school provides a nurturing and inclusive environment where every child is empowered to thrive.





Supporting the Arts – Partnership with CLOC Musical Theatre

Community Bank Malvern East is proud to support CLOC Musical Theatre, one of Victoria's leading community theatre companies. Since 1964, CLOC has delivered over 100 productions and engaged more than 200 volunteers each year. Through our Grants Program, we've helped fund essential equipment to keep their inspiring performances and community spirit alive.

Supporting Local Music – Partnership with Knox Wind Symphony

Community Bank Wantirna is proud to support the Knox Wind Symphony, a vibrant group bringing people together through music. Our community grant helped launch the Knox Concert Band, giving musicians of all ages the chance to learn, perform, and connect. We're proud to help foster creativity and community spirit across the Knox region.



Proud sponsors of Team XLR8 7128 Bendigo Bank

Supporting Innovation – Partnership with XLR8 FRC7128

Community Bank Wantirna is proud to support XLR8 FRC7128, an inclusive, LGBTIQA+ friendly robotics team uniting students from across Victoria. Our sponsorship helps them design, build, and compete in the FIRST Robotics Competition, gaining hands-on experience in STEM, teamwork, and creativity. Together, we're helping nurture future innovators and leaders in our community.

Sponsorship report (continued)





Supporting Children with Disabilities – MAD Foundation

Making a difference in the lives of children with disabilities is at the heart of our partnership with the MAD Foundation. Community Bank Malvern East proudly sponsors this incredible organisation, helping families access essential mobility and support equipment that transforms daily life. This support provides independence, joy, and the opportunity for children to fully engage in family and community life.





Supporting Homelessness - SleepOut Rough

Community Bank Murrumbeena was proud to sponsor SleepOut Rough for the Homeless, a Rotary-led event raising funds and awareness for Victorians experiencing homelessness. Branch Managers Sunny, Taylor, and Leigh swapped their beds for one night, raising \$2,510 toward the event's \$34,000 total — supporting youth at risk and those in need.



Ormond had a standout 2025 season, living its values of Compete, Connect, and Care. The launch of a Senior Women's team strengthened inclusion and community spirit, supported by dedicated volunteers and the ongoing partnership of Community Bank Murrumbeena, which helped fund new guernseys and resources as the club returns to VAFA Premier Football.





Supporting the Next Generation at Wantima Junior Football Club

With over 450 junior players and 130 Auskick participants, Wantirna South JFC focuses on fun, teamwork, and community impact —offering programs on safe driving, mental health, and female empowerment. Community Bank Wantirna's sponsorship helps fund equipment, operations, and initiatives like SALT (Sport & Life Training), ensuring every player has the best possible experience on and off the field.

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

For the financial year ended 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:



Stuart Martyn

Title: Chair

Experience and expertise: Stuart has substantial CFO and Board experience across IT, Payments and Retail Banking. Chartered Accountant, MBA (AGSM) and GAICD qualified he was an executive with a major retail bank for more than 8 years and a long term CFO for the Australian subsidiary of a large international IT company specialising in the financial services industry. A founding director of the East Malvern Community Bank he and his family have been Stonnington residents for over 30 years.

Special responsibilities: Chair of Investment Committee, Member of Audit, Risk & Governance Committee, Member of Remuneration & Nominations Committee.



Philip Williamson

Title: Deputy Chair

Experience and expertise: Phil had a 23-year career in retail banking with Westpac holding all roles from junior through to running a high performing branch. In addition, Phil held Regional banking roles in the People and Culture space as well as periods of heading up the Recruitment function for Victoria and senior management roles in Learning & Development. Subsequently, Phil has held the most senior People and Culture positions in Mercedes-Benz Australia Pacific, the Movember Foundation (Global), ECMS Early Childhood Management, SCT Logistics and a senior management role in People & Culture with the City of Monash. Phil has been involved in sporting, school, and kindergarten committees for over 50 years and has held the role of President on two occasions at the Prahran Cricket Club. He has been a major contributor to the Toorak Park Redevelopment, a circa \$28,000,000 community investment. This project has seen all infrastructure replaced at Toorak Park, the home of Prahran Cricket Club, Old Xaverian Football Club, Prahran Football Club and Prahran Junior Football Club. The Project has seen new Cricket Nets and a Curators Shed built, lighting increased to 750 Lux, complete oval upgrade including new irrigation, drainage and grasses, new sight screens, a white picket fence and new Pavilion.

Special responsibilities: Deputy Chairperson, Chair of Remuneration & Nominations Committee, Member of Investment Committee.



Directors (continued)



Michael Arbon

Title: Non-executive director

Experience and expertise: Michael joined the Board in 2008. He holds a Bachelor of Engineering Degree from Melbourne University and is a graduate of the Stanford Executive Program. Michael has worked in a variety of Infrastructure businesses during his career in Executive Management positions. Michael has lived in the City of Stonnington for over 30 years and is a life member of the Malvern Cricket Club.

Special responsibilities: Chair of Audit, Risk & Governance Committee, Chair of Sponsorship & Marketing Committee, Member of Remuneration & Nominations Committee.



Anne Parsonson

Title: Non-executive director

Experience and expertise: Anne joined the Board in 2012 and has over 25 years experience in the manufacturing and retail services sector including being a Director of Kidman Furniture Pty Ltd and Red Dust Furniture. Most recently she is involved in the accounting sector of her family business in Veneer Board manufacturing and distribution which operates in Victoria and Canberra. Anne has lived in Stonnington for more than 30 years and has been involved in local community groups, including Malvern Netball Club and East Malvern Tennis Club.

Special responsibilities: Member of Sponsorship & Marketing Committee.



Melissa Hartmann

Title: Non-executive director

Experience and expertise: Melissa has extensive local and international experience leading corporate strategy and transformation. With a career spanning financial services, consulting, retail & property, she is now the CEO and Founder of the Transformation Leadership Academy. She holds a Bachelor of Commerce (UWA) and an MBA (AGSM). Melissa joined in the board in March 2021.

Special responsibilities: Company Secretary, Member of Investment Committee.



Alistair Macleod

Title: Non-executive director

Experience and expertise: Alistair has extensive leadership experience across a range of sectors including education, IT, business services, consulting and retail banking. He holds an MBA (Exec) from the AGSM. He currently leads an education services team at one of the world's leading education research organisations. He has lived in the Wantirna area for more than 28 years. His involvement in the community includes roles as Treasurer on a local school council and various positions, including President, with a local sporting club. He is a life member of the Templeton Netball Club and the American Chamber of Commerce (Australia).

Special responsibilities: Member of Sponsorship & Marketing Committee.



Company secretary

The company secretary is Melissa Hartmann. Melissa was appointed to the position of company secretary on 1 July 2023.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$775,644 (30 June 2024: \$795,895).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Provided on 579,182 shares		
Fully franked dividend of nil cents per share (2024: 9 cents)	-	52,183
Provided on 769,384 shares		
Fully franked dividend of 10 cents per share (2024: 27 cents)	76,938	207,735
Provided on 974,043 shares		
Fully franked dividend of 30 cents per share (2024: nil cents)	292,213	-
	369,151	259,918

Dividends proposed but not recognised at balance date

Since the end of the financial year, the board of directors has proposed to pay an interim fully franked dividend of 11 cents per share, to be paid on 31 October 2025. The financial impact of the dividend, amounting to \$107,145 has not been recognised in the financial statements for the financial year ended 30 June 2025, and will be recognised in the subsequent financial statements.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

The company renewed their Franchise Fees agreement with Bendigo Bank in September 2025.

No other 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.

Meetings of directors

The number of directors meetings attended by each of the directors of the company during the financial year were:

	Во	Board	
	Eligible	Attended	
Stuart Martyn	10	9	
Philip Williamson	10	10	
Michael Arbon	10	10	
Anne Parsonson	10	7	
Melissa Hartmann	10	10	
Alistair Macleod	10	9	

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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 24 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 and their associates are:

	Balance at the start of the year	Changes	Balance at the end of the year
Stuart Martyn	44,000	8,200	52,200
Philip Williamson	2,125	304	2,429
Michael Arbon	13,500	2,750	16,250
Anne Parsonson	13,750	1,965	15,715
Melissa Hartmann	-	-	-
Alistair Macleod	5,000	-	5,000

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.

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

Why

Stuart Martyn Chair

23 September 2025

Auditor's independence declaration



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

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

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

- 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.

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550

Dated:23 September 2025

Financial statements

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	4,551,707	3,924,498
Other revenue		57,482	85,900
Finance revenue		5,569	3,206
Total revenue		4,614,758	4,013,604
Employee benefits expense	7	(2,164,019)	(1,664,604)
Occupancy expenses		(60,492)	(55,852)
IT expenses		(81,743)	(74,651)
Depreciation and amortisation expense	7	(156,852)	(146,919)
Loss on disposal of assets		(2,083)	-
Finance costs	7	(282,448)	(251,333)
Administration and general expenses		(350,690)	(336,543)
Total expenses before community contributions and income tax expense		(3,098,327)	(2,529,902)
Profit before community contributions and income tax expense		1,516,431	1,483,702
Charitable donations and sponsorships expense		(527,174)	(400,607)
Profit before income tax expense		989,257	1,083,095
Income tax expense	8	(213,613)	(287,200)
Profit after income tax expense for the year		775,644	795,895
Other comprehensive income for the year, net of tax		-	
Total comprehensive income for the year		775,644	795,895
		Cents	Cents
Basic earnings per share	27	89.01	103.45
Diluted earnings per share	27	89.01	103.45

Financial statements (continued)

Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	170,204	96,445
Trade and other receivables	10	423,314	416,024
Current tax assets	8	61,448	-
Total current assets		654,966	512,469
Non-current assets			
Trade and other receivables	10	7,052	9,623
Financial assets	13	285,526	297,470
Property, plant and equipment	11	2,293,097	2,249,898
Right-of-use assets	12	675,426	219,197
Intangible assets	14	4,150,000	4,190,477
Deferred tax assets	8	11,644	-
Total non-current assets		7,422,745	6,966,665
Total assets		8,077,711	7,479,134
Liabilities			
Current liabilities			
Trade and other payables	15	527,042	411,520
Borrowings	16	664,113	566,189
Lease liabilities	17	89,876	48,728
Current tax liabilities	8	-	226,687
Employee benefits		98,877	93,603
Total current liabilities		1,379,908	1,346,727
Non-current liabilities			
Borrowings	16	2,057,097	3,128,934
Lease liabilities	17	608,000	151,945
Deferred tax liabilities	8	-	13,909
Employee benefits		64,653	72,676
Lease make good provision		29,667	39,878
Total non-current liabilities		2,759,417	3,407,342
Total liabilities		4,139,325	4,754,069
Net assets		3,938,386	2,725,065
Equity			
Issued capital	18	2,322,629	1,515,801
Retained earnings		1,615,757	1,209,264
Total equity		3,938,386	2,725,065

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

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Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		844,112	673,287	1,517,399
Profit after income tax expense		-	795,895	795,895
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	795,895	795,895
Transactions with owners in their capacity as owners:				
Shares issued during period	18	684,727	-	684,727
Costs of issuing shares		(13,038)	-	(13,038)
Dividends provided for or paid	20	-	(259,918)	(259,918)
Balance at 30 June 2024		1,515,801	1,209,264	2,725,065
Balance at 1 July 2024		1,515,801	1,209,264	2,725,065
Profit after income tax expense		-	775,644	775,644
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	775,644	775,644
Transactions with owners in their capacity as owners:				
Shares issued during period	18	818,636	-	818,636
Costs of issuing shares		(11,808)	-	(11,808)
Dividends provided for or paid	20	-	(369,151)	(369,151)
		806,828	(369,151)	437,677
Balance at 30 June 2025		2,322,629	1,615,757	3,938,386

Financial statements (continued)

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)		5,002,159	4,172,690
Payments to suppliers and employees (inclusive of GST)		(3,647,309)	(2,589,744)
Dividends received		16,991	20,667
Interest received		5,569	3,206
Lease payments not included in the measurement of lease liabilities		(30,628)	(31,889)
Interest and other finance costs paid		(241,600)	(239,006)
Income taxes paid		(440,574)	(154,536)
Net cash provided by operating activities	26	664,608	1,181,388
Cash flows from investing activities			
Payments for shares		(44,985)	-
Payments for rights to revenue share		-	(2,750,000)
Payments for property, plant and equipment		(78,220)	(165,763)
Payments for intangibles		-	(50,807)
Proceeds from disposal of investments		95,337	-
Net cash used in investing activities		(27,868)	(2,966,570)
Cash flows from financing activities			
Proceeds from issue of shares	18	818,636	684,727
Share issue transaction costs		(11,808)	(13,038)
Proceeds from borrowings		-	2,250,000
Repayment of borrowings		(973,914)	(739,192)
Repayment of leases		(52,856)	(60,754)
Lease payments (interest component)		(38,582)	(10,388)
Dividends paid	20	(304,457)	(261,760)
Net cash provided by/(used in) financing activities		(562,981)	1,849,595
Net increase in cash and cash equivalents		73,759	64,413
Cash and cash equivalents at the beginning of the financial year		96,445	32,032
Cash and cash equivalents at the end of the financial year	9	170,204	96,445

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Reporting entity

The financial statements cover East Malvern Community 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 268 Waverley Road, Malvern East, Vic 3145.

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.

Going concern

The company has demonstrated strong financial performance, including a profit of \$775,644 and operating cash flows of \$664,608. However, the company has reported a working capital deficiency as of 30 June 2025, where current liabilities exceed current assets by \$724,942. Management is confident that the company will have sufficient resources to repay its short-term debts due to the profitability of the business (both historical and budgeted), strong forecast cashflows and the investment portfolio of ASX listed stocks valued at \$285,526 that is readily convertible to cash. The board has taken proactive measures by paying down loans ahead of schedule to reduce interest expenses and maintained access to \$424,729 of redraw available on loan facilities at 30 June 2025 (refer to note 16), which can be utilised if needed. As a result, 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 23 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by 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.

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.

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.

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

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.

Estimation of useful lives for rights to revenue share

The company holds intangible assets representing the rights to revenue share for both Wantirna and Murrumbeena. The directors have assessed the useful life of the assets to be indefinite based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for EMCFS Ltd. The rights to revenue share are assessed annually for impairment, refer to note 3.

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.

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 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. A new franchise agreement has been agreed to subsequent to year end, with an expiry date of May 2030.

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.

Note 5. Economic dependency (continued)

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

	4,551,707	3,924,498
Commission income	205,871	173,330
Fee income	161,032	154,701
Margin income	4,184,804	3,596,467
	2025 \$	202 <i>4</i> \$

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

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

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

plus: any deposit returns i.e. interest return applied by Bendigo Bank for a deposit minus: any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2,164,019	1,664,604
Other expenses	106,963	66,638
Expenses related to long service leave	(8,024)	37,134
Superannuation contributions	183,652	137,784
Wages and salaries	1,881,428	1,423,048
	2025 \$	2024 \$

Note 7. Expenses (continued)

Depreciation and amortisation expense

	156,852	146,919
Franchise fee	40,477	36,636
Amortisation of intangible assets		
Leased land and buildings	81,354	80,811
Depreciation of right-of-use assets		
	35,021	29,472
Office equipment	1,886	348
Furniture and fittings	1,468	1,633
Leasehold improvements	28,554	27,491
Buildings	3,113	-
Depreciation of non-current assets		
	2025 \$	202 <i>4</i> \$

Finance costs

	282,448	251,333
Unwinding of make-good provision	2,266	2,056
Lease interest expense	38,582	10,271
Bank loan interest paid or accrued	241,600	239,006
	2025 \$	202 <i>4</i> \$

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

Charitable donations, sponsorships and grants

207	25 2024 \$ \$
Direct donation, sponsorship and grant payments 527,12	400,607

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).

Note 8. Income tax

	2025 \$	202 4 \$
Income tax expense		
Current tax	239,166	285,867
Movement in deferred tax	(25,553)	1,333
Aggregate income tax expense	213,613	287,200
Prima facie income tax reconciliation		
Profit before income tax expense	989,257	1,083,095
Tax at the statutory tax rate of 25%	247,314	270,774

Note 8. Income tax (continued)

	2025	2024
	\$	\$
Tax effect of:		
Non-deductible expenses	(8,148)	15,093
Movement in deferred tax	(25,553)	1,333
Income tax expense	213,613	287,200
	2025	2024
	\$	\$
Deferred tax assets/(liabilities)		
Employee benefits	40,883	41,570
Historical variance	6,192	-
Provision for lease make good	7,417	9,970
Lease liabilities	174,469	50,168
Property, plant and equipment	(63,035)	(52,064)
Right-of-use assets	(168,857)	(54,799)
Market value of investments	16,744	(6,621)
Prepayments	(2,169)	(2,133)
Deferred tax asset/(liability)	11,644	(13,909)
	2025	2024
	\$	\$
Income tax refund due	61,448	-
	2025	2024
	\$	\$
Provision for income tax	-	226,687

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	170,204	96,445

Note 10. Trade and other receivables

	2025 \$	202 <i>4</i> \$
Trade receivables	364,140	407,389
Other receivables and accruals	50,500	102
Prepayments	8,674	8,533
	59,174	8,635
	423,314	416,024
Non-current assets		
Borrowing costs	7,052	9,623

Accounting policy for trade and other receivables

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

Note 11. Property, plant and equipment

	2025 \$	2024 \$
Land - at cost	1,581,455	1,731,455
Buildings - at cost	150,000	-
Less: Accumulated depreciation	(3,113)	-
	146,887	-
Leasehold improvements - at cost	679,250	602,098
Less: Accumulated depreciation	(125,948)	(97,394)
	553,302	504,704
Furniture and fittings - at cost	13,585	13,585
Less: Accumulated depreciation	(7,716)	(6,248)
	5,869	7,337
Office equipment - at cost	9,551	8,483
Less: Accumulated depreciation	(3,967)	(2,081)
	5,584	6,402
	2,293,097	2,249,898

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	Office equipment \$	Total \$
Balance at 1 July 2023	1,731,455	-	375,317	6,835	-	2,113,607
Additions	-	-	156,878	2,135	6,750	165,763
Depreciation	-	-	(27,491)	(1,633)	(348)	(29,472)
Balance at 30 June 2024	1,731,455	-	504,704	7,337	6,402	2,249,898
Additions	-	-	77,152	-	1,068	78,220
Transfers in/(out)	(150,000)	150,000	-	-	-	-
Depreciation	-	(3,113)	(28,554)	(1,468)	(1,886)	(35,021)
Balance at 30 June 2025	1,581,455	146,887	553,302	5,869	5,584	2,293,097

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.

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

Improvements are depreciated over the useful life of the assets. Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit derived from the asset.

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

Leasehold improvements 10 to 20 years
Furniture and fittings 2 to 20 years
Office equipment 2 to 20 years
Buildings 40 years

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

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	842,515	304,932
Less: Accumulated depreciation	(167,089)	(85,735)
	675,426	219,197

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	53,803
Additions	224,503
Remeasurement adjustments	21,702
Depreciation expense	(80,811)
Balance at 30 June 2024	219,197
Remeasurement adjustments	537,583
Depreciation expense	(81,354)
Balance at 30 June 2025	675,426

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 17 for more information on lease arrangements.

Note 13. Financial assets

Sponsorship Fund (ASX Listed Securities) at cost	218,551	270,986
Market value adjustment	66,975	26,484
	285,526	297,470

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Note 14. Intangible assets

	2025 \$	2024 \$
Rights to revenue share (Wantirna) - at cost	1,400,000	1,400,000
Rights to revenue share (Murrumbeena) - at cost	2,750,000	2,750,000
Franchise fee	79,504	79,504
Less: Accumulated amortisation	(79,504)	(39,027)
	-	40,477
	4,150,000	4,190,477

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

	Rights to revenue share (Wantirna) \$	Rights to revenue share (Murrumbeena) \$	Franchise fee \$	Total \$
Balance at 1 July 2023	1,400,000	-	26,306	1,426,306
Additions	-	2,750,000	50,807	2,800,807
Amortisation expense	-	-	(36,636)	(36,636)
Balance at 30 June 2024	1,400,000	2,750,000	40,477	4,190,477
Amortisation expense	-	-	(40,477)	(40,477)
Balance at 30 June 2025	1,400,000	2,750,000	-	4,150,000

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.

Rights to revenue shares acquired are recognised at cost at the date of acquisition and are assessed as having indefinite useful life. They are tested for impairment at each reporting period and whenever impairment indicators are present. The indefinite useful life is also reassessed annually.

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

Note 14. Intangible assets (continued)

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (1 year)	May 2025
Rights to revenue share (Wantirna)	Assessed for impairment	Indefinite	N/A
Rights to revenue share (Murrumbeena)	Assessed for impairment	Indefinite	N/A

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

Rights to revenue share - indefinite life

The rights to revenue share for Wantirna and Murrumbeena have been assessed as having an indefinite useful life under AASB 138. This assessment is based on the expectation that the revenue-sharing arrangement with Bendigo Bank will continue for the foreseeable future, and there is no legal, contractual, or other economic factor that would limit the period over which these assets are expected to generate net cash inflows.

Management reassesses the indefinite life determination at each reporting date. If future events or circumstances indicate that the useful life is no longer indefinite, the asset will be amortised over its revised finite life prospectively.

Impairment testing methodology

As required by AASB 136, intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Management has identified each branch revenue stream as a separate cash-generating unit (CGU) for impairment testing purposes. The recoverable amount of each CGU has been determined using a value-in-use model, based on discounted cash flow projections derived from:

- · BEN approved budgets for lending and deposit volume growth;
- · A five-year forecast period, with a terminal growth rate applied beyond that horizon; and
- · A pre-tax discount rate reflecting the current market cost of capital for comparable community banking operations.

Key sources of estimation uncertainty

The impairment testing involves significant judgements and estimates in respect of:

- · Forecast growth in revenue and margin from banking operations;
- · Future levels of community contributions;
- Discount rate assumptions; and
- · Terminal value assumptions.

Management believes that any reasonably possible changes in key assumptions would not result in the carrying amounts of the rights to revenue share exceeding their recoverable amounts.

Results of impairment testing

Based on the impairment testing performed at 30 June 2025:

- · No impairment was identified for the rights to revenue share (Wantirna and Murrumbeena).
- Sensitivity analysis indicated that for Murrumbeena a reduction in forecast revenue of 10% or an increase in the
 discount rate to 10% would not result in an impairment charge.
- Sensitivity analysis indicated that for Wantirna a reduction in forecast revenue of 10% or an increase in the discount rate to 10% would result in an impairment charge.

Note 15. Trade and other payables

	527,042	411,520
Other payables and accruals	521,721	395,158
Trade payables	5,321	16,362
Current liabilities		
	2025 \$	202 4 \$

Note 15. Trade and other payables (continued)

	442,097	316,852
less other payables and accruals (net GST payable to the ATO)	(84,945)	(94,668)
Total trade and other payables	527,042	411,520
Financial liabilities at amortised cost classified as trade and other payables		
	2025 \$	2024 \$

Note 16. Borrowings

Bank loans	2,057,097	3,128,934
Non-current liabilities		
Bank loans	664,113	566,189
Current liabilities		
	2025 \$	2024 \$

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	202	:
Total facilities		
Bank loans	3,145,939	3,801,240
Used at the reporting date		
Bank loans	2,721,210	3,695,123
Unused at the reporting date		
Bank loans	424,729	106,117

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 17. Lease liabilities

		2025 \$	2024 \$
Current liabilities			
Land and buildings lease liabilities	89,876	48,728	
Non-current liabilities			
Land and buildings lease liabilities	608,000	151,945	

Note 17. Lease liabilities (continued)

Reconciliation of lease liabilities

Opening balance \$ 50,29 Additions - 205,18 Remeasurement adjustments 550,059 5,94 Lease interest expense 38,582 10,38		697,876	200,673
Opening balance \$ 50,29 Additions - 205,18 Remeasurement adjustments 550,059 5,94	Lease payments - total cash outflow	(91,438)	(71,142)
Opening balance \$ 200,673 50,29 Additions - 205,18	Lease interest expense	38,582	10,388
Solution \$ 15 Opening balance 200,673 50,29	Remeasurement adjustments	550,059	5,948
\$	Additions	-	205,187
	Opening balance	200,673	50,292
			2024 \$

Remeasurements

During the financial year the company entered into a new lease agreement for the Wantirna branch with a 5 year term and two 5 year options available. The company has determined it is reasonably certain to exercise the extension options available. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using the revised lease term end date of October 2039.

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Murrumbeena Branch	7.50%	5 years	5 years	Yes	December 2029
Wantirna Branch	7.41%	5 years	2 x 5 years	Yes	October 2039

Note 18. Issued capital

	974,043	769,384	2,322,629	1,515,801
Less: Equity raising costs	-	-	(37,239)	(25,431)
Ordinary shares - fully paid at \$4 per share	204,659	-	818,636	-
Ordinary shares - fully paid at \$3.60 per share	190,202	190,202	684,727	684,727
Ordinary shares - fully paid at \$2.50 per share	184,882	184,882	462,205	462,205
Ordinary shares - fully paid at \$1 per share	394,300	394,300	394,300	394,300
	2025 Shares	202 <i>4</i> Shares	2025 \$	2024 \$

During the year, the company completed a share issue, where the company sold 204,659 ordinary shares at \$4 each. The company incurred \$11,808 of equity raising costs during the share issue.

Note 18. Issued capital (continued)

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being the payment received at the time of issue. 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 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 172. As at the date of this report, the company had 226 shareholders (2024: 206 shareholders).

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

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

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

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

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 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

Dividends provided for during the period

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2025 \$	202 <i>4</i> \$
Provided on 579,182 shares		
Fully franked dividend of nil cents per share (2024: 9 cents)	-	52,183
Provided on 769,384 shares		
Fully franked dividend of 10 cents per share (2024: 27 cents)	76,938	207,735
Provided on 974,043 shares		
Fully franked dividend of 30 cents per share (2024: nil cents)	292,213	-
	369,151	259,918

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	324,923	261,760
Payment of prior year(s) dividends	53,176	80,035
Payment of current year dividends	271,747	181,725
	2025 \$	2024 \$

Dividends proposed but not recognised at balance date

Since the end of the financial year, the board of directors has proposed to pay an interim fully franked dividend of 11 cents per share, to be paid on 31 October 2025. The financial impact of the dividend, amounting to \$107,145 has not been recognised in the financial statements for the financial year ended 30 June 2025, and will be recognised in the subsequent financial statements.

Note 20. Dividends (continued)

Franking credits

Franking credits available for future reporting periods	581,947	500,048
Franking debits that will arise from payment of dividends subsequent to financial year end	-	(26,064)
Franking credits (debits) that will arise from payment (refund) of income tax	(61,448)	280,318
Balance at the end of the financial year	643,395	245,794
Franking transactions that will arise subsequent to the financial year end:		
	643,395	245,794
Franking credits from franked distributions received	4,570	5,676
Franking debits from the payment of franked distributions	(129,872)	(87,253)
Franking credits (debits) arising from income taxes paid (refunded)	522,903	154,536
Franking account balance at the beginning of the financial year	245,794	172,835
	2025 \$	202 4 \$

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%.

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments, borrowings 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.

	3,861,183	4,212,648
Bank loans (note 16)	2,721,210	3,695,123
Lease liabilities (note 17)	697,876	200,673
Trade and other payables (note 15)	442,097	316,852
Financial liabilities		
	879,044	810,041
Financial assets (note 13)	285,526	297,470
Cash and cash equivalents (note 9)	170,204	96,445
Trade and other receivables (note 10)	423,314	416,126
Financial assets		
	2025 \$	202 4 \$

Note 21. Financial risk management (continued)

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
- · Fair value through profit or loss (FVTPL)

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

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

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$170,204 and borrowings of \$2,721,210 at 30 June 2025 (2024: \$96,445 and \$3,695,123).

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	7.25%	2,721,210	8.08%	3,695,123
Net exposure to cash flow interest rate risk		2,721,210		3,695,123

Note 21. Financial risk management (continued)

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

2025	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	28,553	21,415	(10%)	(28,553)	(21,415)

2024	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	29,747	22,310	(10%)	(29,747)	(22,310)

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 company's 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.

2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Bank loans	664,113	1,590,134	466,963	2,721,210
Trade and other payables	442,097	-	-	442,097
Lease liabilities	93,061	368,074	612,851	1,073,986
Total non-derivatives	1,199,271	1,958,208	1,079,814	4,237,293

2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Bank loans	566,189	2,264,756	864,178	3,695,123
Trade and other payables	316,852	-	-	316,852
Lease liabilities	50,151	169,622	21,204	240,977
Total non-derivatives	933,192	2,434,378	885,382	4,252,952

Note 22. Fair value measurement

Fair value hierarchy

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

Note 22. Fair value measurement (continued)

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity securities	285,526	-	-	285,526
Total assets	285,526	-	-	285,526
2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity securities	297,470	-	-	297,470
Total assets	297,470	-	-	297,470

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 East Malvern Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

Stuart Martyn Anne Parsonson
Philip Williamson Melissa Hartmann
Michael Arbon Alistair Macleod

Compensation

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Total key management personnel compensation	221,365	105,450
Directors variable fees	72,390	-
Post-employment benefits	22,725	-
Short-term employee benefits	126,250	105,450
	2025 \$	202 <i>4</i> \$

Note 24. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Note 24. Related party transactions (continued)

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 \$
During the period, a sponsorship was made to Prahran Cricket Club of which a director is a committee member. The total benefit received was:	10,000	10,000
During the period a sponsorship was made to Toorak Park Users Group of which a director is a Project Leader. The total benefit received was:	-	100,000

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 \$
Audit services		
Audit or review of the financial statements	13,320	3,650
Other services		
Taxation advice and tax compliance services	300	-
General advisory services	-	2,000
Share registry services	3,777	-
	4,077	2,000
	17,397	5,650

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	775,644	795,895
Adjustments for:		
Depreciation and amortisation	156,852	146,919
Net loss on disposal of non-current assets	2,083	-
Movement in financial assets	(40,491)	(15,233)
Lease interest	38,582	10,388

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

Net cash provided by operating activities	664,608	1,181,388
Increase in other provisions	2,266	39,878
Increase/(decrease) in employee benefits	(2,749)	80,655
Increase/(decrease) in deferred tax liabilities	(13,909)	1,333
Increase/(decrease) in provision for income tax	(226,687)	72,151
Increase in trade and other payables	50,828	188,110
Increase in deferred tax assets	(11,644)	-
Increase in income tax refund due	(61,448)	-
Increase in trade and other receivables	(4,719)	(138,708)
Change in operating assets and liabilities:		
	2025 \$	2024 \$

Note 27. Earnings per share

The to 27 Earnings per smare		
	2025 \$	2024 \$
Profit after income tax	775,644	795,895
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	871,433	769,384
Weighted average number of ordinary shares used in calculating diluted earnings per share	871,433	769,384
	Cents	Cents
Basic earnings per share	89.01	103.45
Diluted earnings per share	89.01	103.45

Accounting policy for earnings per share

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

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

The company renewed their Franchise Fees agreement with Bendigo Bank in September 2025.

No other 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

Stuart Martyn

Chair

23 September 2025

Independent audit report



Andrew Frewin Stewart 61 Bull Street Bendigo VIC 3550 ABN: 65 684 604 390 afs@afsbendigo.com.au 03 6443 0344

Independent auditor's report to the Directors of East Malvern Community Financial Services Limited

Report on the audit of the financial report

Our opinion

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

- giving a true and fair view of the company's financial position as at 30 June 2025 and of its 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 East Malvern Community Financial Services Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

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.

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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.

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550 Dated:23 September 2025

Joshua Griffin Lead Auditor

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