

East Malvern Community Financial Services Limited

ABN 27 089 542 174

Half-year Financial Report - 31 December 2025

East Malvern Community Financial Services Limited
Directors' report
31 December 2025

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2025.

Directors

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

Stuart Martyn
Philip Williamson
Michael Arbon

Anne Parsonson
Melissa Hartmann
Alistair Macleod

Principal activity

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

Review of operations

The profit for the company after providing for income tax amounted to \$426,435 (31 December 2024: \$456,731).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 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.

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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Martyn
Chair

24 February 2026



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

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

I declare that, to the best of our knowledge and belief, during the half-year ended 31 December 2025 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', with a flourish at the end.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 24 February 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin', with a flourish at the end.

Joshua Griffin
Lead Auditor

East Malvern Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31-Dec-25 \$	31-Dec-24 \$
Revenue from contracts with customers	3	2,280,826	2,344,736
Other revenue		41,297	38,820
Total revenue		<u>2,322,123</u>	<u>2,383,556</u>
Employee benefits expense		(1,030,240)	(1,091,892)
Occupancy expenses		(22,913)	(26,950)
IT expenses		(49,990)	(39,047)
Depreciation and amortisation expense		(71,556)	(84,262)
Finance costs		(121,242)	(155,172)
Other expenses		(241,770)	(235,164)
Total expenses before community contributions and income tax		<u>(1,537,711)</u>	<u>(1,632,487)</u>
Profit before community contributions and income tax expense		784,412	751,069
Charitable donations, sponsorships and grants expense		<u>(185,258)</u>	<u>(195,825)</u>
Profit before income tax expense		599,154	555,244
Income tax expense		<u>(172,719)</u>	<u>(98,513)</u>
Profit after income tax expense for the half-year		426,435	456,731
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>426,435</u></u>	<u><u>456,731</u></u>
		Cents	Cents
Basic earnings per share		43.78	46.89
Diluted earnings per share		43.78	46.89

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

East Malvern Community Financial Services Limited
Statement of financial position
As at 31 December 2025

	31-Dec-25	30-Jun-25
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	70,863	170,204
Trade and other receivables	471,928	423,314
Current tax assets	-	61,448
Total current assets	<u>542,791</u>	<u>654,966</u>
Non-current assets		
Trade and other receivables	5,767	7,052
Financial assets	311,334	285,526
Property, plant and equipment	2,274,333	2,293,097
Right-of-use assets	641,612	675,426
Intangibles	4,348,558	4,150,000
Deferred tax assets	-	11,644
Total non-current assets	<u>7,581,604</u>	<u>7,422,745</u>
Total assets	<u>8,124,395</u>	<u>8,077,711</u>
Liabilities		
Current liabilities		
Trade and other payables	421,754	527,042
Borrowings	661,355	664,113
Lease liabilities	91,573	89,876
Current tax liabilities	30,140	-
Employee benefits	99,089	98,877
Total current liabilities	<u>1,303,911</u>	<u>1,379,908</u>
Non-current liabilities		
Trade and other payables	141,419	-
Borrowings	1,820,604	2,057,097
Lease liabilities	587,792	608,000
Deferred tax liabilities	16,585	-
Employee benefits	72,818	64,653
Provisions	30,734	29,667
Total non-current liabilities	<u>2,669,952</u>	<u>2,759,417</u>
Total liabilities	<u>3,973,863</u>	<u>4,139,325</u>
Net assets	<u>4,150,532</u>	<u>3,938,386</u>
Equity		
Issued capital	2,322,629	2,322,629
Retained earnings	<u>1,827,903</u>	<u>1,615,757</u>
Total equity	<u>4,150,532</u>	<u>3,938,386</u>

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

East Malvern Community Financial Services Limited
Statement of changes in equity
For the half-year ended 31 December 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		1,515,801	1,209,264	2,725,065
Profit after income tax expense		-	456,731	456,731
Other comprehensive income, net of tax		-	-	-
		-	456,731	456,731
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during period		818,636	-	818,636
Costs of issuing shares		(3,924)	-	(3,924)
Dividends provided for or paid	4	-	(174,343)	(174,343)
Balance at 31 December 2024		<u>2,330,513</u>	<u>1,491,652</u>	<u>3,822,165</u>
Balance at 1 July 2025		2,322,629	1,615,757	3,938,386
Profit after income tax expense		-	426,435	426,435
Other comprehensive income, net of tax		-	-	-
		-	426,435	426,435
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	4	-	(214,289)	(214,289)
Balance at 31 December 2025		<u>2,322,629</u>	<u>1,827,903</u>	<u>4,150,532</u>

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

East Malvern Community Financial Services Limited
Statement of cash flows
For the half-year ended 31 December 2025

	Note	31-Dec-25 \$	31-Dec-24 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,474,160	2,512,477
Payments to suppliers and employees (inclusive of GST)		(1,829,462)	(1,802,889)
Dividends received		14,807	38,820
Interest and other finance costs paid		(95,286)	(140,460)
Income taxes paid		(131,839)	(107,262)
		<u>432,380</u>	<u>500,686</u>
Cash flows from investing activities			
Share return of capital		682	-
Purchase of property, plant and equipment		-	(73,130)
Payments for intangibles		(42,854)	-
Proceeds from disposal of investments		-	26,215
		<u>(42,172)</u>	<u>(46,915)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	818,636
Repayment of lease liabilities		(21,775)	(32,029)
Repayment of borrowings		(814,251)	(1,234,202)
Interest and other finance costs paid		(24,890)	(13,459)
Share issue transaction costs		-	(3,924)
Dividends paid	4	(203,633)	(141,429)
Proceeds from/redraw on borrowings		575,000	205,000
		<u>(489,549)</u>	<u>(401,407)</u>
Net increase/(decrease) in cash and cash equivalents		(99,341)	52,364
Cash and cash equivalents at the beginning of the financial half-year		<u>170,204</u>	<u>96,445</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>70,863</u></u>	<u><u>148,809</u></u>

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

East Malvern Community Financial Services Limited

Notes to the financial statements

31 December 2025

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going concern

The company has demonstrated strong financial performance, including a profit of \$426,435 and operating cash flows of \$432,380. However, the company has reported a working capital deficiency as of 31 December 2025, where current liabilities exceed current assets by \$761,120. 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 \$311,334 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 \$320,281 of redraw available on loan facilities at 31 December 2025, 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 half-year financial statements.

Note 2. 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 revenue under the franchise agreement. The franchise agreement expires in May 2030.

The directors have a reasonable expectation that a new franchise agreement will be signed prior to the expiry date.

Note 3. Revenue from contracts with customers

	31-Dec-25	31-Dec-24
	\$	\$
Margin income	2,101,471	2,160,235
Fee income	80,488	81,597
Commission income	98,867	102,904
Revenue from contracts with customers	<u>2,280,826</u>	<u>2,344,736</u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

Note 4. Dividends

Dividends provided for during the half-year

The following dividends were provided for during the half-year as presented in the Statement of changes in equity.

East Malvern Community Financial Services Limited
Notes to the financial statements
31 December 2025

Note 4. Dividends (continued)

	31-Dec-25	31-Dec-24
	\$	\$
Fully franked dividend of nil cents per share payable on 769,384 shares (31-Dec-24: 10 cents)	-	76,938
Fully franked dividend of 22 cents per share payable on 974,043 shares (31-Dec-24: 10 cents)	214,289	97,404
	<u>214,289</u>	<u>174,342</u>

Dividends paid during the half-year

The following dividends were paid to shareholders during the half-year as presented in the Statement of cash flows.

	31-Dec-25	31-Dec-24
	\$	\$
Payment of current year dividends	110,954	74,163
Payment of prior year(s) dividend	92,681	67,265
	<u>203,635</u>	<u>141,428</u>

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

Note 5. Contingent assets and liabilities

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

Note 6. Related party transactions

The company has related party transactions that include remuneration to directors and payments to not-for-profit organisations affiliated with certain directors. These related party transactions are consistent with those disclosed in the company's financial report for the year ended 30 June 2025. There have been no significant changes to the nature or amount of these related party transactions during the half-year ended 31 December 2025.

Note 7. Events after the reporting date

No matter or circumstance has arisen since 31 December 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.

East Malvern Community Financial Services Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Martyn
Chair

24 February 2026



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of East Malvern Community Financial Services Limited (the company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of East Malvern Community Financial Services Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

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



Andrew Frewin Stewart
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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 24 February 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor