



Annual Report 2025

Elwood Community
Financial Services Limited

Community Bank
Elwood

ABN 38 087 802 775

Contents

Chairman's report	2
Manager's report	4
Community contributions	6
Directors' report	9
Auditor's independence declaration	12
Financial statements	13
Notes to the financial statements	17
Directors' declaration	48
Consolidated Entity Disclosure Statement	49
Independent audit report	50

Chairman's report

For year ending 30 June 2025



Our branch team continues to uphold our commitment to outstanding service. We are passionate about delivering personalised banking solutions designed to support the unique goals and needs of each customer.

I am delighted to present the Annual Report of the Board for Elwood Community Financial Services Limited (ECFS), reflecting another year of strong performance and community impact.

Our cumulative reinvested profits have now exceeded \$3 million. Over the past 26 years, these funds have been channelled through sponsorships, grants, and donations, helping hundreds of local programs, events, and community organisations thrive. This achievement reflects not just the strength of our branch, but the shared spirit and resilience of the Elwood community that we are honoured to support.

We are thrilled to welcome Kristy McRae as our new Bank Manager. Kristy brings over six years of experience with Community Banks and a total of 16 years in banking. She finds being part of a community bank and giving back to the local area an incredibly rewarding experience, and she is passionate about supporting and engaging with our community.

More exciting news - great changes are coming! Later this year, our branch will undergo a complete renovation, featuring a bright, open-plan design. This refreshed space will offer a modern, welcoming environment, allowing us to serve and engage with our local community, bringing fresh energy to how we connect and serve our community.

We are proud to share that our company remains in a strong and profitable position, thanks to the continued support of our community. Over the past year, we have successfully sustained growth and strengthened our business, reflecting both our resilience and the trust placed in us by those we serve.

Our Financial Achievement

Elwood Community Financial Services Ltd is proud to have continued supporting our local community, funding an impressive \$386,699 this year. The top three areas of support were Education, Arts and Culture, and Health & Wellbeing.

Footings held by Community Bank Elwood at the end of the financial year were \$230.6 million. Considering the current economic environment, this is a remarkable achievement.

Supported by a \$8.66 million pipeline, our talented team, and a strong community, we look forward to a year of continued growth and achievements.

On the strength of our solid financial position, the Board is delighted to declare a fully franked dividend of 15 cents per share. We sincerely thank all our loyal and long-standing shareholders for their continued support and confidence in our Bank.

I extend my heartfelt thanks to our dedicated and passionate Board Directors, who generously contribute their time, skills, and knowledge. I also wish to acknowledge our amazing Branch Staff and Bank Manager, Committee Members, Shareholders, and Founders. Your invaluable contributions and unwavering support have been instrumental in bringing the mission and vision of our Bank to life, while creating a positive and lasting impact on our local community. We are truly proud to work alongside such a committed and inspiring group of people.

Chairman's report (continued)

Our Community Achievements

Our vision is to strengthen our local community through our Sponsorship, Scholarship, and Grants Programs. This year, we proudly supported a range of fantastic projects and community initiatives. You can follow these inspiring stories on our Facebook and Instagram pages and in our Newsletters.

This year, we focused on empowering our students, our next generation, by introducing the Scholarships Program and the Money Mentoring Program. Both programs were launched at Elwood College and were met with heartfelt gratitude, excitement, and genuine appreciation from students and staff!

Our sponsorship programs continue to grow each year! An exceptional story we are thrilled to share is that of Lunar F1, the Brighton Grammar team we sponsored for the National Finals STEM Racing program. We are delighted to announce that they went on to win the Aramco STEM Racing World Championship 2025!

It is truly inspiring to see these talented 17-year-olds recognised on a global stage for their achievements in innovation, science, and technology — and to know that Community Bank Elwood played a role in helping them reach this incredible milestone.

Community Bank Elwood has been at the heart of our local community providing essential banking services while helping countless organisations grow and thrive.

We are grateful to our loyal customers and the many community groups who have partnered with us along the way. Over the past 26 years, we have achieved so much and our commitment to supporting and strengthening the community has never been stronger.

On behalf of Community Bank Elwood, I sincerely thank all our shareholders. Your support allows us to strengthen our local economy, and deliver essential funding and opportunities to the community.

Together with our committed Board and dedicated staff, we have achieved remarkable outcomes, and we are excited to continue making a meaningful difference.

We look forward to the year ahead and celebrating an additional year of growth, collaboration, and shared achievements!



Carole Mackie
Chair

Manager's report

For year ending 30 June 2025



Moving forward Community Bank Elwood will explore new avenues to grow the business working with both our business partners and our community groups.

I am pleased to present my report to the shareholders for the financial year ended 30 June 2025.

The year of 2024/25 continued to present challenges in our economy, although inflation has eased from its peak. The RBA maintained a restrictive cash rate through much of the year to bring inflation back to target, which meant households continued to face elevated borrowing costs. We have also seen two cash rate cuts in February 2025 and May 2025 which had several positive impacts for both homeowners and those trying to enter the property market:

- Lower mortgage repayments: with interest rates dropping, variable-rate borrowers saw reductions in their monthly repayments easing household budgets
- Improved cash flow: the savings on repayments freed up income for other living expenses, reducing pressure from the high cost of living
- Increased confidence: lower rates improved household sentiment, encouraging some to renovate, refinance or reinvest
- Greater affordability: lower borrowing costs meant higher borrowing capacity, making it easier to qualify for lending
- Boost from government schemes: when combined with first home buyer grants and government-backed deposit schemes, the cuts made purchasing more achievable
- Improved confidence to act: Many first home buyers who were holding off due to high repayments felt more comfortable committing to a purchase.

Cost of living pressures, particularly in housing, energy, and everyday essentials, remained front of mind for our customers and created ongoing pressure on household budgets, despite this many households have managed well by adjusting spending, showing resilience and adaptability in tough conditions. Many families became more budget conscious, trading down to more affordable products and delaying discretionary spending. At the same time, government concessions and first-home buyer initiatives remained important in supporting eligible buyers into the property market, while some investors chose to reduce their holdings in response to higher financing costs and state-based levies. This shift has seen first-home buyers play a more prominent role in Victoria's housing market over the year.

Over the year Community Bank Elwood managed to increase our footings by \$25.3 million. Our lending book increased by \$3.4 million to \$105.6 million and deposits increased by \$15.3 million to \$116.1 million. In a challenging and competitive market, our deposit growth exceeded expectations by reaching 119.97% of target. While lending growth finished on 72.15%. Total footings increased from \$205.2 million to \$230.6 million from the previous year.

We hold customer base of 3,841 made up of 3,343 individuals and 578 business. Each holding an average of 1.5 products, this is a significant drop compared to last year. We will continue to hold holistic conversations to build our customer base and grow the average products per customer held.

Manager's report (continued)

Moving forward Community Bank Elwood will explore new avenues to grow the business working with both our business partners and our community groups.

We have seen some staff changes this year, Community Bank Elwood has gained a new Branch Manager Kristy McRae (myself), I come with 16 years banking experience with six of those years with Community Banks across the Mornington Peninsula. We have also welcomed Angus Henry (CRO) from Community Bank Parkdale and Chloe Comber (CSO). While welcoming new staff, we also farewelled Rajan Kumar, Liam Ashbrook-Haley, we thank them both for their service and wish them well in their future endeavours.

To the Elwood community, Customers, Directors and Shareholders, your advocacy of our brand ensures that we will have shared success in the coming year and many more to come. I encourage you to keep advocating for our branch by sharing the benefits of banking local with your family, friends and networks. It's through your use of Bendigo Bank products that we're able to grow our business, generate profits and reinvest more into our community through sponsorships, grants, donations and shareholder dividends. Your support truly makes a difference. We're looking ahead with optimism and hope to see you in the branch in the near future.

Yours sincerely

Kristy McRae
Branch Manager

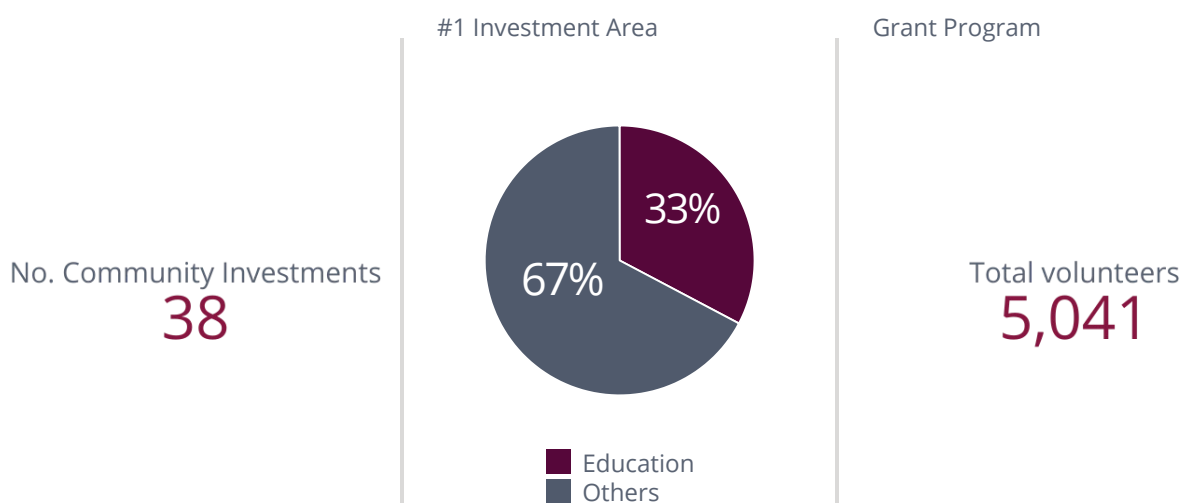
Community contributions

\$386,699 Community Contributions

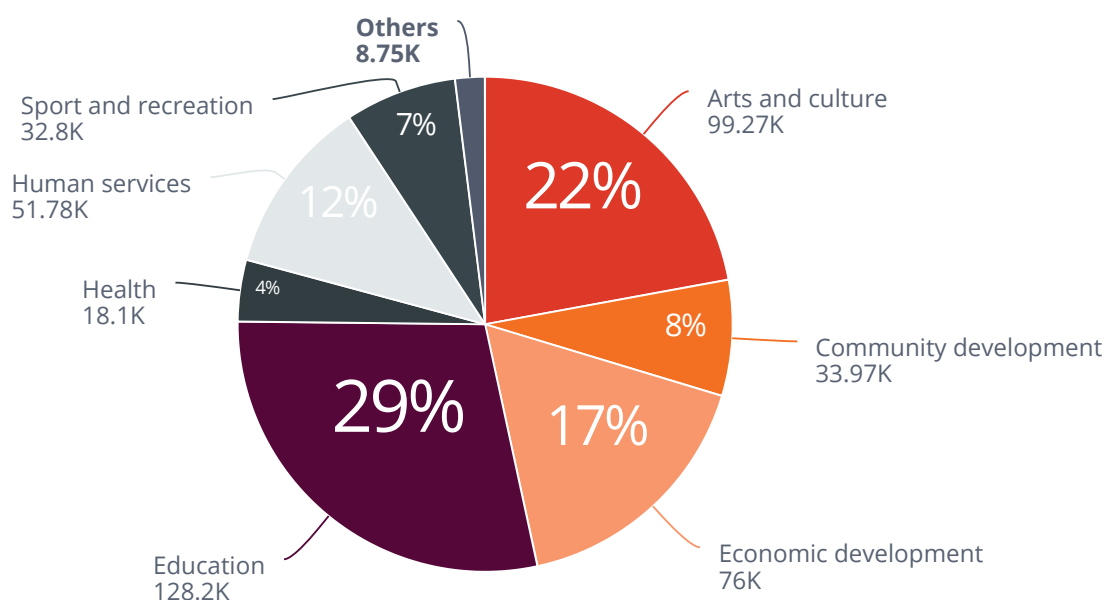
Grants
\$242,776

Sponsorships
\$133,923

Scholarships
\$10,000

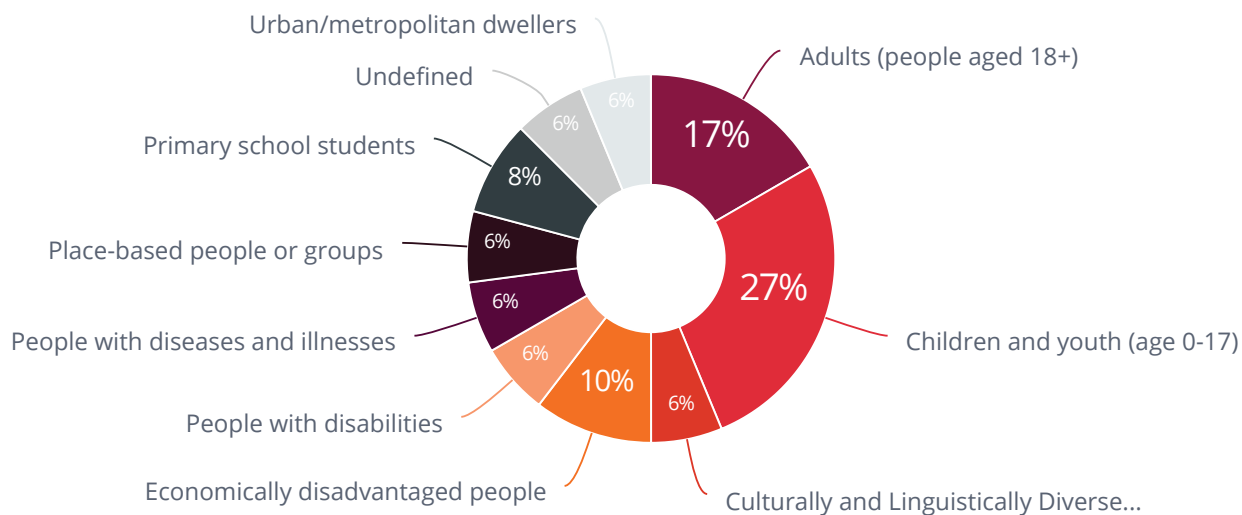


Funding by theme

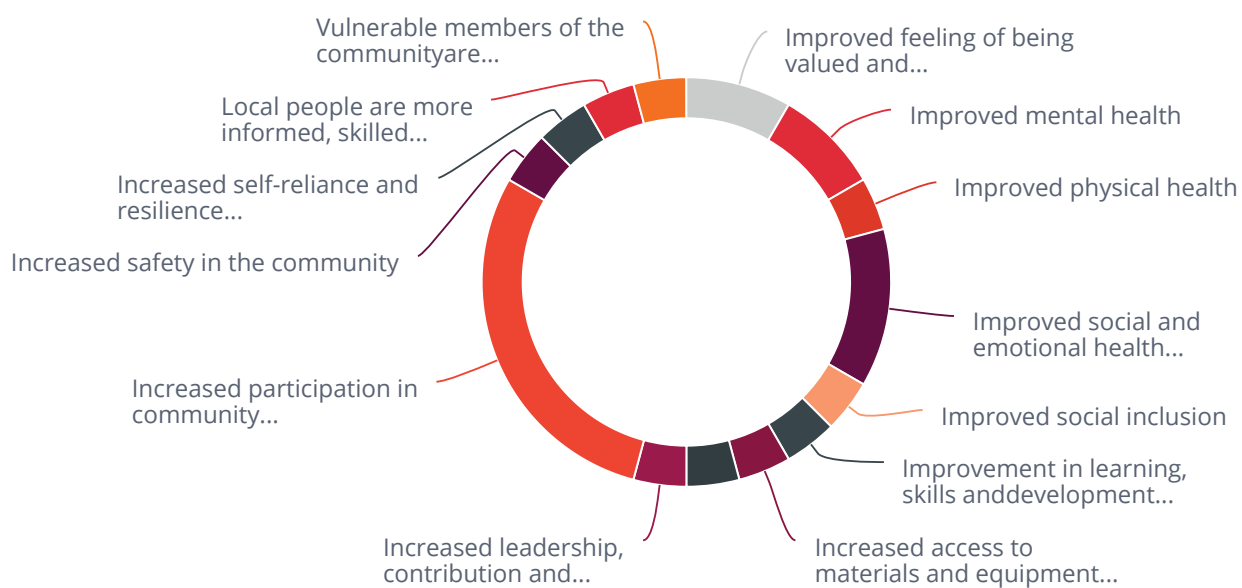


Community contributions (continued)

Top 10 beneficiaries



Grant targeted outcomes



Community contributions (continued)

2024-2025 Contributions

St Kilda Scout Group
Linden New Art
Elwood Life Saving Club
First Step
Australian Tapestry Workshop
Poets Grove Family & Children's Centre
Poets Garden
East Brighton Vampires Junior Football Club
TeamSports4All
Elwood StKilda Neighbourhood Learning Centre Inc.
St Columba's Primary School
Bayside Water Activity Centre
Elwood Primary School
Scalpers Basketball Club (rebranding to: 'East Brighton Vampires Basketball Club')
St Columba's Primary School Elwood
Kiwanis Club of Brighton Bayside
Epilepsy Action Australia
Christ Church Mission Inc
Elwood College - Department of Education
South Port Day Links Inc
Share&Swap Shop
Port Phillip EcoCentre
Melbourne Women's Foundation
Local Impact
St Kilda Baseball Club
Elwood Croquet Club
Elwood Primary School
Association of Former Inmates of Nazi Concentration Camps & Ghettos from the Former Soviet Union
St Kilda City Football Netball Club

Lunar STEM Racing Team
St Kilda City Junior Football
Brighton Union Cricket Club
Elwood Park Tennis Club
Elwood College
Elsternwick Park Sports Club Inc
Hunt Community Child Care and Kindergarten
Lunar F1 in Schools Team
Ripponlea Kindergarten
St Kilda City Football Netball Club
Elwood Croquet Club
Melbourne Women's Foundation
St Kilda Baseball Club
Elwood College
Elwood Primary School
Elsternwick Park Sports Club Inc
Scalpers Basketball Club
Lunar F1 in Schools Team
Elwood Park Tennis Club
St Columba's Primary School
East Brighton Vampires Junior Football Club
Hunt Community Child Care and Kindergarten

Local Impact

St Kilda City Junior Football
Brighton Union Cricket Club
Elwood College - Department of Education
Lunar STEM Racing Team



Directors' report

30 June 2025

The Directors present their report together with the financial statements on Elwood Community Financial Services Limited for the financial year ended 30 June 2025.

Information on Directors

The names of each person who has been a Director during the year and to date of the report are:

- Carole Ann Mackie
- Adam Mckie
- Elizabeth Jean Johnstone - Resigned November 2024
- Gary March
- Ariane Vincent
- Johanna Verberne
- Frieda Yeo - Resigned May 2025
- Mariela Millington - Resigned December 2024
- Nicky Brooks - Appointed April 2025
- Emma Brennan - Appointed May 2025

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.

Directors' Meetings

Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held.

Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Carole Ann Mackie	11	11
Adam Mckie	11	8
Elizabeth Jean Johnstone	5	5
Gary March	11	6
Ariane Vincent	11	10
Johanna Verberne	11	8
Frieda Yeo	11	9
Mariela Millington	6	5
Nicky Brooks	3	3
Emma Brennan	1	1

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.

Directors' report (continued)

Directors' Interests in the Entity

Director	2024 \$	Changes during the year \$	2025 \$
Carole Ann Mackie	-	-	-
Adam Mckie	-	-	-
Elizabeth Jean Johnstone	1,500	-	1,500
Gary March	1,000	-	1,000
Ariane Vincent	-	-	-
Johanna Verberne	-	-	-
Freida Yeo	-	-	-
Mariela Millington	-	-	-
Nicky Brooks	-	-	-
Emma Brennan	-	-	-

Principal activities

The principal activity of Elwood Community Financial Services Limited during the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$305,421 (2024: \$241,021).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of \$38,048 was paid during the year as recommended in last year's report.
- A fully franked dividend of \$38,048 was declared on 30 June 2025 for payment for the year ended 30 June 2025.

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The Company will continue its policy of providing banking services to the community.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of Directors and Officers

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

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 (RSD Audit) for audit and non-audit services provided during the year are set out in **Note 25** to the accounts. The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 on page 12 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



Carole Mackie
Director

Dated: 16/09/2025

Auditor's independence declaration



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Elwood Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors Elwood Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) ☐ The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) ☐ Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to be 'JP' or similar, written over a light grey circular background.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 17 September 2025

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Elwood Community Financial Services Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6.a	1,568,165	1,558,518
Finance income	7	9,242	1,176
Other income	6.b	43,616	42,517
Total income		1,621,023	1,602,211
Depreciation and amortisation	9	(25,069)	(24,719)
Employee benefit expenses	8.a	(673,773)	(700,299)
Finance expenses	7	(13,891)	(20,141)
Impairment losses on receivables		(55)	(53)
Administrative expenses		(44,541)	(61,621)
Occupancy expenses		(72,020)	(43,168)
IT expenses		(36,889)	(35,333)
ATM expenses		(6,107)	(7,934)
Other expenses		(44,901)	(37,287)
Total expense		(917,246)	(930,555)
Profit before charitable donations and sponsorships		703,777	671,656
Charitable donations and sponsorships	10	(297,877)	(350,665)
Profit before income tax		405,900	320,991
Income tax	11	(100,479)	(79,970)
Profit for the year		305,421	241,021
Total comprehensive income for the year		305,421	241,021

The accompanying notes form part of these financial statements.

Elwood Community Financial Services Limited

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	447,987	365,824
Trade and other receivables	13	152,591	139,518
Other financial assets	14	235,465	224,738
Other assets	15	2,870	3,344
Total Current assets		838,913	733,424
Non-current assets			
Property, plant and equipment	16	2,161,361	2,168,591
Intangible assets	17	62,228	77,781
Deferred tax assets	18	25,318	16,649
Total Non-current assets		2,248,907	2,263,021
Total Assets		3,087,820	2,996,445
Liabilities			
Current liabilities			
Trade and other payables	19	340,535	480,210
Current tax liabilities	18	73,190	54,280
Borrowings	20	95,355	94,175
Employee benefits	8.b	76,415	18,763
Total Current liabilities		585,495	647,428
Non-current liabilities			
Borrowings	20	53,033	145,132
Employee benefits	8.b	12,687	34,653
Total Non-current liabilities		65,720	179,785
Total		651,215	827,213
Net Assets		2,436,605	2,169,232
Equity			
Share capital	21	253,650	253,650
Retained earnings	22	2,182,955	1,915,582
Total Equity		2,436,605	2,169,232

The accompanying notes form part of these financial statements.

Elwood Community Financial Services Limited

Statement of Changes in Equity For the year ended 30 June 2025

2024	Share Capital	Retained earnings	Total equity
	\$	\$	\$
Opening balance	253,650	1,712,609	1,966,259
Profit for the year	-	241,021	241,021
Dividends provided for or paid	-	(38,048)	(38,048)
Closing balance	253,650	1,915,582	2,169,232

2025	Share Capital	Retained earnings	Total
	\$	\$	\$
Opening balance	253,650	1,915,582	2,169,232
Profit for the year	-	305,421	305,421
Dividends provided for or paid	-	(38,048)	(38,048)
Closing balance	253,650	2,182,955	2,436,605

The accompanying notes form part of these financial statements.

Elwood Community Financial Services Limited

Statement of Cash Flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities:			
Receipts from customers		1,597,352	1,613,896
Payments to suppliers and employees		(1,270,721)	(1,356,443)
Dividends received		1,356	1,335
Interest received		9,242	1,176
Interest paid		(13,891)	(20,141)
Income taxes paid		(90,238)	(119,033)
Net cash flows from operating activities	23	233,100	120,790
Cash flows from investing activities:			
Payments for intangible asset		(15,552)	(15,612)
Payments for property, plant and equipment		(2,282)	-
Purchase of financial assets		(8,251)	(200,000)
Net cash used in investing activities		(26,085)	(215,612)
Cash flows from financing activities:			
Repayment of borrowings		(90,919)	(87,754)
Dividends Paid		(33,933)	(35,182)
Net cash used in financing activities		(124,852)	(122,936)
Net increase/(decrease) in cash and cash equivalents		82,163	(217,758)
Cash and cash equivalents at beginning of year		365,824	583,582
Cash and cash equivalents at end of financial year		447,987	365,824

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2025

1. Introduction

These financial statements and notes represent those of Elwood Community Financial Services Limited (the Company) as an individual entity. Elwood Community Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 1 September 2025.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 24.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a. Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of Elwood Community Bank Branch:

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity 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
- 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.

3. Summary of Significant Accounting Policies(continued)

b. 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share.	Margin, commission and fee income.	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end.

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

i. Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the Company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

3. Summary of Significant Accounting Policies(continued)

b. Revenue from contracts with customers(continued)

ii. Margin

Margin is arrived at through the following calculation:

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

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

iii. Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

iv. Fee income

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

v. 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.

3. Summary of Significant Accounting Policies(continued)

b. Revenue from contracts with customers(continued)

vi. Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

vii. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

c. Other revenue

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

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

3. Summary of Significant Accounting Policies(continued)

c. Other revenue(continued)

i. Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

d. Employee benefits

i. Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

ii. Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

e. Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

3. Summary of Significant Accounting Policies(continued)

e. Income tax(continued)

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

f. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

g. Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

h. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3. Summary of Significant Accounting Policies(continued)

i. Property, Plant & Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings	Straight line	40 - 50 years
Plant & equipment	Straight Line	5 - 50 years
Furniture & Fittings	Straight Line	5 - 20 years

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

j. Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

i. Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

3. Summary of Significant Accounting Policies(continued)

j. Intangible Assets(continued)

iii. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Asset Class	Method	Useful Life
Franchise fee	Straight line	5 years

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

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (ii) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

i. Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3. Summary of Significant Accounting Policies(continued)

k. Financial instruments(continued)

ii. Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

3. Summary of Significant Accounting Policies(continued)

k. Financial instruments(continued)

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Summary of Significant Accounting Policies(continued)

l. Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2025.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

m. Issued Capital

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

n. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

3. Summary of Significant Accounting Policies(continued)

o. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

4. Significant Accounting Judgements, Estimates & Assumptions

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Judgements

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

Balance	Judgement
Revenue	Whether revenue is recognised over time or at a point in time

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Balance	Judgement
Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation.

5. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Credit risk
- Liquidity risk
- Market risk - interest rate risk and price risk.

a. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

b. 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.

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Notes to the financial statements (continued)

6. Revenue and other income

a. Disaggregation of revenue from contracts with customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025	2024
	\$	\$
Revenue		
Revenue from contracts with customers	1,568,165	1,558,518
Disaggregation of Revenue from Contracts with Customers		
Gross Margin	1,398,540	1,412,375
Upfront Product Commission	20,209	21,298
Trailer Product Commission	70,544	45,647
Fee Income	78,872	79,198
Total	1,568,165	1,558,518

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

b. Other revenue

The Company generates other sources of revenue as outlined below.

	2025	2024
	\$	\$
Other income	43,616	42,517

7. Finance income and expenses

a. Finance income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025	2024
	\$	\$
Interest income	9,242	1,176

Notes to the financial statements (continued)

7. Finance income and expenses(continued)

b. Finance expenses

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

	2025	2024
	\$	\$
Interest expense	13,891	20,141

8. Employee benefits

a. Employee benefits expenses

Profit before income tax from continuing operations includes the following specific expenses:

	2025	2024
	\$	\$
Employee Benefits Expense		
Wages & Salaries	559,039	617,624
Superannuation	64,419	66,800
Other employee benefit expenses	50,315	15,875
Total	673,773	700,299

b. Provisions for employee benefits

Current	2025	2024
	\$	\$
Long service leave	43,705	-
Annual leave	32,710	18,763
	76,415	18,763
Non-current	2025	2024
	\$	\$
Long service leave	12,687	34,653

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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.

Notes to the financial statements (continued)

9. Depreciation & Amortisation Expense

	2025	2024
	\$	\$
Depreciation of Non-Current Assets		
buildings	7,336	9,142
plant and equipment	1,531	1,747
furniture and fittings	645	646
Total	9,512	11,535
Amortisation of Intangible Assets		
franchise fee	15,557	13,184
	15,557	13,184
Total	25,069	24,719

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(i) and 3(j) for details).

10. Community Investments & Sponsorship

a. Community Investments & Sponsorship

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 and grants).

Description	2025	2024
	\$	\$
Community Investments & Sponsorship		
Direct Sponsorship and grant payments	197,877	100,665
Contribution to the Community Enterprise Foundation	100,000	250,000
Total	297,877	350,665

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

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

10. Community Investments & Sponsorship(continued)

b. Community Enterprise Foundation (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

Disaggregation of CEF funds	2025 \$	2024 \$
Opening balance	210,612	27,247
Contributions paid	289,473	405,262
Grants paid out	(278,952)	(191,890)
Interest received	13,361	9,219
GST Paid	(47,385)	(20,807)
Management fees incurred	(13,157)	(18,419)
Balance available for distribution	173,952	210,612

Notes to the financial statements (continued)

11. Income tax expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

a. The major components of tax expense comprise:

Description	2025 \$	2024 \$
Components of Tax Expense		
Current tax expense	110,690	76,788
Deferred tax expense	(8,669)	3,182
Under provisions of prior years	(1,542)	-
Total	100,479	79,970

b. Reconciliation of income tax to accounting profit:

	2025 \$	2024 \$
Profit for the year		
Profit for the year	305,421	241,021
Add back income tax expense		
Current tax expense	100,479	79,970
Total Profit for the year	405,900	320,991
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	(101,475)	(80,228)
Add / (Less) tax effect of:		
Under provision for income tax in prior year	1,542	-
Temporary differences	(9,215)	3,440
Movement in deferred tax	8,669	(3,182)
Income tax attributable to the entity	(100,479)	(79,970)
Income tax expense	(100,479)	(79,970)
Weighted average effective tax rate (%)	25	25

Notes to the financial statements (continued)

12. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

	2025	2024
	\$	\$
Cash & Cash Equivalents	447,987	365,824
Total	447,987	365,824

13. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables		
Trade Debtors	150,424	138,342
Other Receivables	2,167	1,176
Total	152,591	139,518

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

14. Financial Assets

	2025	2024
	\$	\$
At Amortised Cost		
Term Deposits	208,251	200,000
At FVTPL		
Listed investments	27,214	24,738
Total	235,465	224,738

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Notes to the financial statements (continued)

15. Other assets

	2025	2024
	\$	\$
Prepayments	2,870	3,344
Total	2,870	3,344

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

16. Property, plant and equipment

a. Property, plant and equipment details

	2025			2024		
	\$			\$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
	\$	\$	\$	\$	\$	\$
Buildings	343,066	(86,516)	256,550	343,066	(79,180)	263,886
Land	1,889,550	-	1,889,550	1,889,550	-	1,889,550
Plant & Equipment	49,781	(40,348)	9,433	47,499	(38,817)	8,682
Furniture & Fittings	223,000	(217,172)	5,828	223,000	(216,527)	6,473
TOTAL	2,505,397	(344,036)	2,161,361	2,503,115	(334,524)	2,168,591

b. Movement in Carrying Amounts

2025	Land	Buildings	Plant and equipment	Furniture and fittings	Total
	\$	\$	\$	\$	\$
Opening balance	1,889,550	263,886	8,682	6,473	2,168,591
Additions	-	-	2,282	-	2,282
Depreciation	-	(7,336)	(1,531)	(645)	(9,512)
Closing balance	1,889,550	256,550	9,433	5,828	2,161,361

2024	Land	Buildings	Plant and equipment	Furniture and fittings	Total
	\$	\$	\$	\$	\$
Opening balance	1,889,550	273,028	10,429	7,119	2,180,126
Depreciation	-	(9,142)	(1,747)	(646)	(11,535)
Closing balance	1,889,550	263,886	8,682	6,473	2,168,591

16. Property, plant and equipment(continued)

c. Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

d. Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

17. Intangible assets

a. Intangible asset details

	2025			2024		
	\$			\$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
	\$	\$	\$	\$	\$	\$
Franchise Fee	77,785	(15,557)	62,228	77,785	(4)	77,781
TOTAL	77,785	(15,557)	62,228	77,785	(4)	77,781

Movement in Carrying Amounts

	Franchise fees - Accumulated Amortisation	Total
	\$	\$
2025		
Opening balance	77,785	77,785
Amortisation	(15,557)	(15,557)
Closing balance	62,228	62,228

	Franchise fees - Accumulated Amortisation	Total
	\$	\$
2024		
Opening balance	13,180	13,180
Additions	77,785	77,785
Amortisation	(13,184)	(13,184)
Closing balance	77,781	77,781

Notes to the financial statements (continued)

18. Tax assets and liabilities

a. Current Tax

	2025	2024
	\$	\$
Other Current Liabilities	73,190	54,280
Total	73,190	54,280

b. Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	2024	Recognised in P&L	2025
	\$	\$	\$
Deferred Tax Assets			
- Expense accruals	6,807	1,066	7,873
- Financial Assets carried at FVTPL	1,067	(619)	448
- Employee provisions	13,354	8,922	22,276
Total deferred tax assets	21,228	9,369	30,597
Deferred Tax Liabilities			
- Prepayments	(836)	118	(718)
- Accrued income	(294)	(248)	(542)
- Property, plant & equipment	(3,449)	(570)	(4,019)
Total deferred tax liabilities	(4,579)	(700)	(5,279)
Net deferred tax assets	16,649	8,669	25,318

Notes to the financial statements (continued)

18. Tax assets and liabilities(continued)

b. Deferred Tax(continued)

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	2023 \$	Recognised in P&L \$	2024 \$
Deferred Tax Assets			
- Expense accruals	6,341	466	6,807
- Financial assets carried at FVTPL	809	258	1,067
- Employee provisions	18,857	(5,503)	13,354
Total deferred tax assets	26,007	(4,779)	21,228
Deferred Tax Liabilities			
- Prepayments	(2,727)	1,891	(836)
- Accrued income	-	(294)	(294)
- Property, plant & equipment	(3,449)	-	(3,449)
Total deferred tax liabilities	(6,176)	1,597	(4,579)
Net deferred tax assets/(liabilities)	19,831	(3,182)	16,649

19. Trade and other payables

	2025 \$	2024 \$
Trade payables	(151,366)	(297,831)
Franchise Fee Payable	(62,233)	(77,785)
Dividend payable	(51,984)	(47,869)
Other trade and other payables	(74,952)	(56,725)
Total	(340,535)	(480,210)

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

20. Borrowings

	2025	2024
	\$	\$
Secured Liabilities (Bank Loans)		
Current	95,355	94,175
Non-Current	53,033	145,132
Total	148,388	239,307

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 6.9%. This loan has been created to fund the purchase of the building at 142 Ormond Road, Elwood. There are no covenants attached to the loan.

21. Issued Capital

a. Issued Capital

	2025		2024	
	No.	\$	No.	\$
Ordinary shares - fully paid	253,650	253,650	253,650	253,650

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

b. Share capital movements

	2025	2024
	\$	\$
Opening balance	253,650	253,650
Closing balance	253,650	253,650

Notes to the financial statements (continued)

21. Issued Capital (continued)

b. Share capital movements (continued)

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

22. Retained Earnings

	2025	2024
	\$	\$
Balance at the beginning of the period	1,915,582	1,712,609
Profit for the year	305,421	241,021
Dividends paid	(38,048)	(38,048)
Total	2,182,955	1,915,582

23. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025	2024
	\$	\$
Profit for the year	305,421	241,021
Add / (less) non-cash items:		
Depreciation	9,512	11,535
Amortisation	15,557	13,184
Fair Value (increase)/decrease	(2,476)	(6,244)
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(13,078)	20,442
Decrease in prepayments and other assets	474	7,562
(Increase) / decrease in deferred tax asset	(8,669)	3,182
Decrease in trade and other payables	(128,238)	(105,634)
(Increase) / decrease in current tax liabilities	18,910	(42,245)
(Increase) / decrease in provisions	35,687	(22,013)
Cash flows from operations	233,100	120,790

24. Related Parties

a. Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

Notes to the financial statements (continued)

24. Related Parties(continued)

b. Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

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

c. Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

d. Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
EMetalTrading Pty Ltd - Carole Mackie	Accounting & Bookkeeping Services	6,300

e. Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

f. Other Key management Transactions

There have been no other transactions key management or related parties other than those described above.

25. Auditor's Remuneration

The appointed auditor of Elwood Community Financial Services Limited for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,600	6,200
Total	6,600	6,200
Non-Audit Services		
Preparation of the financial statements	2,650	2,500
Other non-audit services	3,000	6,200
Total	5,650	8,700
Total auditor's remuneration	12,250	14,900

Notes to the financial statements (continued)

26. Dividends

a. Dividends declared or paid

	Number	2025 \$	Number	2024 \$
The following dividends were declared and paid:				
Fully franked ordinary dividends	253,650	38,048	253,650	38,048

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

27. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025	2024
Profit attributable to ordinary shareholders (\$)	305,421	241,020
Weighted average number of ordinary shares (Number)	253,650	253,650
Basic and diluted earnings per share (cents)	120	95

28. Events occurring after the reporting date

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

29. Commitments & Contingencies

Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

In the opinion of the directors, the Company did not have any contingencies requiring disclosure at 2025 (2024: None).

30. Statutory information

The registered office and principal place of business of the Company is:

Elwood Community Financial Services Limited

142 Ormond Road, Elwood VIC 3184.

31. Fair value measurement

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Listed investments
 - Listed investments

a. Fair value hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Unadjusted quoted prices 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.

31. Fair value measurement(continued)

a. Fair value hierarchy(continued)

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

2025	Level 1 \$	Total \$
Recurring fair value measurements		
Financial assets		
Listed investments	27,214	27,214
2024	Level 1 \$	Total \$
Recurring fair value measurements		
Financial assets		
Listed investments	24,738	24,738

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

b. Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

31. Fair value measurement(continued)

b. Valuation Techniques(continued)

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Directors' declaration

For the year ended 30 June 2025

In the Directors opinion:

In accordance with a resolution of the directors of Elwood Community Financial Services Ltd , we state that:

In the opinion of the directors:

1. The financial statements and notes of the company are 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 performance for the financial year ended on that date; and
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
3. The information disclosed in the attached consolidated entity disclosure statement, on page 49 is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.



Carole Mackie
Director

Dated: 16/09/2025

Consolidated Entity Disclosure Statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Elwood Community Financial Services Limited has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Independent audit report



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELWOOD COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Elwood Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

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

- (i) ☐ giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance and its cash flows for the year then ended; and
- (ii) ☐ complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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.

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

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- (i) ☐ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) ☐ the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) ☐ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) ☐ the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

☐

RSD Audit Pty Ltd
ABN 85 619 186 908

Liability limited by a scheme approved under Professional Standards Legislation



Other Information

Those charged with governance 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 do 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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* (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

RSD Audit

Chartered Accountants

A handwritten signature in dark ink, appearing to be 'JP', with a stylized flourish at the end.

Josh Porker

Principal

41A Breen Street
Bendigo VIC 3550

Dated: 17 September 2025

Community Bank · Elwood
142 Ormond Road, Elwood VIC 3184
Phone: 03 9525 6577 Fax: 03 9525 7807
Email: elwoodmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/elwood

Franchisee: Elwood Community Financial Services Limited
ABN: 38 087 802 775
142 Ormond Road, Elwood VIC 3184
Phone: 03 9525 6577 Fax: 03 9525 7807



/communitybankelwood



/communitybank_elwood

