

Ettalong Beach Financial Services Limited

ABN 37 110 069 120

Financial Report - 30 June 2026

Ettalong Beach Financial Services Limited

Directors' report

30 June 2026

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

Directors

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

Name: Donald John Wilson
Title: Non-executive director
Experience and expertise: Donald is a CPA qualified accountant with 50 years of experience in public accounting. His experience includes 40 years as principal of Wilson Graham & Associates in Woy Woy.
Special responsibilities: Treasurer, Executive Committee, Strategic Planning Committee

Name: Robert Henry Millwood
Title: Non-executive director
Experience and expertise: Robert is a company Director, Accountant, former committee member of Woy Woy RLFC and member of Ocean Beach SLSC.
Special responsibilities: Deputy Chairman, Assistant Treasurer, Sponsorship and Marketing Committee, Strategic Planning Committee

Name: Paul David Thomas
Title: Non-executive director
Experience and expertise: Paul is a retired Police Officer. He was previously involved in Neighbourhood watch, safety house, Yarran early intervention, and is a committee member of the Woy Woy Rugby League Football Club.
Special responsibilities: Sponsorship and Marketing Committee

Name: (Sidney) Michael Trewern Tame
Title: Non-executive director
Experience and expertise: Michael is a Commercial Director, Lasercraft Australia Limited. He has a Bachelor Business (Marketing, Accounting), Bachelor International Studies (Japanese). FGIA, CPM. Michael has sales marketing and commercial experience with disability, website, telco, publishing and advertising industry experience.
Special responsibilities: Co-Chair

Name: Michael Allan Cairns
Title: Non-executive director
Experience and expertise: Bachelor of Business (Accounting) + Bachelor of Sports Science (Biomechanics & Exercise Physiology) CA qualified with over 25 years experience in not-for-profit organisations and currently Chief Financial Officer of Public Service Association of NSW. Graduate and member of Australian Institute of Company Directors. Current President of Ocean Beach SLSC.
Special responsibilities: Sponsorship committee

Name: Marisha Diana Blanco
Title: Non-executive director
Experience and expertise: With six years of experience as Principal of a secondary school within the NSW Department of Education, I bring a proven ability in strategic leadership, governance, and community engagement. I have successfully led large, diverse teams, managed multi-million-dollar budgets, and delivered measurable outcomes in complex, high accountability environments. My expertise in stakeholder collaboration, compliance, and long-term planning aligns closely with the responsibilities of a community bank director. I am committed to fostering sustainable, community-focused growth and bringing a values-driven approach to leadership that supports strong financial stewardship and social impact.
Special responsibilities: Sponsorship and Marketing Committee

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Name: Victor Li-Chiong Tiong
Title: Non-executive director (*appointed 25 June 2026*)
Experience and expertise: Dr Victor Tiong is a Principal Dentist. He holds a Bachelor of Dentistry (USYD), is a Fellow of the Pierre Fauchard Academy, and is a Member of the Royal Australasian College of Dental Surgeons (General Dental Practice). Dr Tiong is Secretary of the ADA NSW Central Coast Study Group and serves on the ADA NSW Professional Support & Innovation Committee. He has a strong interest in clinical governance, community engagement and sustainable business development, and is committed to improving health outcomes within the local community.
Special responsibilities: Sponsorship committee

Name: Jeanette Maxine Polley
Title: Non-executive director (*resigned 12 June 2026*)
Experience and expertise: Jeanette is a School Teacher and University Educator. She has been an Accountant for 26 years and a Retail Small Business Owner for 10 years. Jeanette was also a past President of Ettalong Beach Business Group Inc.
Special responsibilities: Co-Chair

Name: Bruce Maxwell Croft
Title: Non-executive director (*resigned 30 June 2026*)
Experience and expertise: Bruce has 42 years of experience in the customer service industry. He is a former secretary of a local soccer club, PCYC and P&C Organisations. He is currently a member of the Rotary Club.
Special responsibilities: Secretary, Executive Committee, Strategic Planning Committee

Name: Anthony Peter McKeon
Title: Non-executive director (*resigned 21 November 2025*)
Experience and expertise: Peter is a banking and finance professional with 44 years experience across a variety of banks and commercial lenders. He commenced in banking in 1978 and moved to commercial finance and went on to roles as Regional Manager and State Manager Commercial Banking. Peter has also held a senior role with an international Investment Bank. In 2010 Peter joined Ettalong Beach Financial Services Limited as Branch Manager of Ettalong Beach Branch of Bendigo Community Bank, a role he held for 12 years before seeking a change. Peter currently enjoys a role in Retail Services.
Special responsibilities: Nil

Company secretary

There have been two company secretaries holding the position during the financial year:

- Marisha Diana Blanco was appointed company secretary on 30 June 2026.
- Bruce Maxwell Croft was appointed company secretary on 30 June 2011 and ceased 30 June 2026.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$210,248 (2025: \$275,999)

Operations have continued to perform in line with expectations.

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Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 10 cents per share (2025: 10 cents)	75,671	75,671
Interim fully franked dividend of 9 cents per share (2025: 10 cents)	68,104	75,671
	<u>143,775</u>	<u>151,342</u>

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Subsequent to 30 June 2026, the company received correspondence relating to a matter involving the company. The matter remains unresolved at the date of authorisation of these financial statements. No adjustment has been made to the amounts recognised in the financial statements as the matter was first formally notified to the company after the reporting date. The financial impact of the matter, if any, cannot presently be determined with sufficient reliability.

Subsequent to 30 June 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions. Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board Eligible	Attended
Donald John Wilson	19	19
Robert Henry Millwood	19	17
Paul David Thomas	19	9
(Sidney) Michael Trewern Tame	19	12
Michael Allan Cairns	19	11
Marisha Diana Blanco	19	12
Victor Li-Chiong Tiong	1	1
Jeanette Maxine Polley	15	14
Bruce Maxwell Croft	19	17
Anthony Peter McKeon	8	7

Ettalong Beach Financial Services Limited

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30 June 2026

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' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Donald John Wilson	18,500	-	18,500
Robert Henry Millwood	5,000	-	5,000
Paul David Thomas	750	-	750
(Sidney) Michael Trewern Tame	-	-	-
Michael Allan Cairns	-	-	-
Marisha Diana Blanco	-	-	-
Victor Li-Chiong Tiong	-	-	-
Jeanette Maxine Polley	-	-	-
Bruce Maxwell Croft	5,000	-	5,000
Anthony Peter McKeon	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



(Sidney) Michael Trewern Tame
Chairman

24 September 2026



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

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

As lead auditor for the audit of Ettalong Beach Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

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

Lachlan Tatt
Lead Auditor

Ettalong Beach Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	1,247,297	1,254,632
Finance revenue		22,834	31,051
Total revenue		<u>1,270,131</u>	<u>1,285,683</u>
Employee benefits expense	7	(600,591)	(533,792)
Advertising and marketing costs		(45,696)	(50,989)
Occupancy and associated costs		(32,015)	(23,295)
Depreciation and amortisation expense	7	(75,144)	(68,487)
System costs		(23,437)	(18,773)
Finance costs		(9,376)	(10,630)
General administration expenses		(127,949)	(81,512)
Total expenses before community contributions and income tax		<u>(914,208)</u>	<u>(787,478)</u>
Profit before community contributions and income tax expense		355,923	498,205
Charitable donations, sponsorships and grants expense	7	<u>(74,429)</u>	<u>(130,171)</u>
Profit before income tax expense		281,494	368,034
Income tax expense	8	<u>(71,246)</u>	<u>(92,035)</u>
Profit after income tax expense for the year		210,248	275,999
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>210,248</u></u>	<u><u>275,999</u></u>
		Cents	Cents
Basic earnings per share	26	27.78	36.47
Diluted earnings per share	26	27.78	36.47

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

Ettalong Beach Financial Services Limited
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	135,892	642,904
Trade and other receivables	10	129,985	145,413
Investments	11	870,387	350,000
Current tax assets	8	4,946	-
Total current assets		<u>1,141,210</u>	<u>1,138,317</u>
Non-current assets			
Property, plant and equipment	12	117,182	61,418
Right-of-use assets	13	156,110	193,024
Intangible assets	14	53,784	68,021
Deferred tax assets	8	34,502	37,393
Total non-current assets		<u>361,578</u>	<u>359,856</u>
Total assets		<u>1,502,788</u>	<u>1,498,173</u>
Liabilities			
Current liabilities			
Trade and other payables	15	72,983	60,672
Lease liabilities	16	54,122	52,041
Current tax liabilities	8	-	24,664
Employee benefits	17	60,432	60,671
Total current liabilities		<u>187,537</u>	<u>198,048</u>
Non-current liabilities			
Lease liabilities	16	122,747	163,841
Employee benefits	17	209	12,557
Provisions	18	57,218	55,123
Total non-current liabilities		<u>180,174</u>	<u>231,521</u>
Total liabilities		<u>367,711</u>	<u>429,569</u>
Net assets		<u>1,135,077</u>	<u>1,068,604</u>
Equity			
Issued capital	19	722,104	722,104
Retained earnings		<u>412,973</u>	<u>346,500</u>
Total equity		<u>1,135,077</u>	<u>1,068,604</u>

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

Ettalong Beach Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		722,104	221,843	943,947
Profit after income tax expense		-	275,999	275,999
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	275,999	275,999
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(151,342)	(151,342)
Balance at 30 June 2025		<u>722,104</u>	<u>346,500</u>	<u>1,068,604</u>
 Balance at 1 July 2025		 722,104	 346,500	 1,068,604
Profit after income tax expense		-	210,248	210,248
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	210,248	210,248
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(143,775)	(143,775)
Balance at 30 June 2026		<u>722,104</u>	<u>412,973</u>	<u>1,135,077</u>

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

Ettalong Beach Financial Services Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,355,230	1,391,060
Payments to suppliers and employees (inclusive of GST)		(997,484)	(953,702)
Interest received		23,420	28,062
Income taxes paid		(97,965)	(28,133)
Net cash provided by operating activities	25	<u>283,201</u>	<u>437,287</u>
Cash flows from investing activities			
Redemption of/(payment for) investments		(520,387)	357,600
Payments for property, plant and equipment	12	(71,876)	-
Payments for intangibles		-	(71,424)
Net cash provided by/(used in) investing activities		<u>(592,263)</u>	<u>286,176</u>
Cash flows from financing activities			
Interest and other finance costs paid		(7,281)	(8,612)
Dividends paid	20	(143,775)	(151,342)
Repayment of lease liabilities		(46,894)	(43,478)
Net cash used in financing activities		<u>(197,950)</u>	<u>(203,432)</u>
Net increase/(decrease) in cash and cash equivalents		(507,012)	520,031
Cash and cash equivalents at the beginning of the financial year		<u>642,904</u>	<u>122,873</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>135,892</u></u>	<u><u>642,904</u></u>

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

Ettalong Beach Financial Services Limited

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 263 Ocean View Road, Ettalong Beach NSW 2257.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 *Presentation of Financial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Current and non-current classification

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

Ettalong Beach Financial Services Limited
Notes to the financial statements
30 June 2026

Note 3. Material accounting policy information (continued)

Investments

Investments include non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

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Notes to the financial statements
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Note 4. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

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Notes to the financial statements
30 June 2026

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

Incremental borrowing rate

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

Employee benefits provision

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

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

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in April 2030.

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

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 Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Ettalong Beach Financial Services Limited
Notes to the financial statements
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Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	1,116,272	1,145,617
Fee income	75,450	70,389
Commission income	55,575	38,626
	<u>1,247,297</u>	<u>1,254,632</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Ettalong Beach Financial Services Limited
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Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2026	2025
	\$	\$
Wages and salaries	583,300	474,529
Non-cash benefits	4,190	-
Superannuation contributions	62,361	52,337
Expenses related to long service leave	(18,740)	6,629
Insurance recoveries	(48,624)	(12,980)
Other expenses	18,104	13,277
	<u>600,591</u>	<u>533,792</u>

Ettalong Beach Financial Services Limited
Notes to the financial statements
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Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026	2025
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	4,284	4,629
Plant and equipment	1,821	1,940
Furniture and fittings	1,257	1,256
Motor vehicles	8,750	4,831
	<u>16,112</u>	<u>12,656</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>44,795</u>	<u>42,625</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,373	2,202
Franchise renewal fee	<u>11,864</u>	<u>11,004</u>
	<u>14,237</u>	<u>13,206</u>
	<u><u>75,144</u></u>	<u><u>68,487</u></u>

Charitable donations, sponsorships and grants expense

	2026	2025
	\$	\$
Direct donation, sponsorship and grant payments	<u><u>74,429</u></u>	<u><u>130,171</u></u>

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

Note 8. Income tax

	2026	2025
	\$	\$
<i>Income tax expense</i>		
Current tax	68,354	94,002
Movement in deferred tax	<u>2,892</u>	<u>(1,967)</u>
Aggregate income tax expense	<u><u>71,246</u></u>	<u><u>92,035</u></u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>281,494</u>	<u>368,034</u>
Tax at the statutory tax rate of 25%	70,374	92,009
Tax effect of:		
Non-deductible expenses	<u>872</u>	<u>26</u>
Income tax expense	<u><u>71,246</u></u>	<u><u>92,035</u></u>

Ettalong Beach Financial Services Limited
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Note 8. Income tax (continued)

	2026	2025
	\$	\$
<i>Deferred tax assets / (liabilities)</i>		
Employee benefits	15,856	18,930
Provision for lease make good	14,304	13,781
Accrued expenses	1,288	1,250
Income accruals	(2,136)	(2,283)
Lease liabilities	44,217	53,971
Right-of-use assets	(39,027)	(48,256)
Deferred tax asset	<u>34,502</u>	<u>37,393</u>
	2026	2025
	\$	\$
Income tax refund due	<u>4,946</u>	<u>-</u>
	2026	2025
	\$	\$
Provision for income tax	<u>-</u>	<u>24,664</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2026	2025
	\$	\$
Cash at bank and on hand	<u>135,892</u>	<u>642,904</u>

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Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	114,401	98,176
Other receivables	-	31,482
Other receivables and accruals	1,130	1,130
Accrued income	8,544	9,129
Prepayments	5,910	5,496
	<u>15,584</u>	<u>47,237</u>
	<u>129,985</u>	<u>145,413</u>
	2026 \$	2025 \$
<i>Financial assets at amortised cost amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	129,985	145,413
Less prepayments, included in trade and other receivables	<u>(5,910)</u>	<u>(5,496)</u>
	<u>124,075</u>	<u>139,917</u>

Accounting policy for trade and other receivables

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

Note 11. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	<u>870,387</u>	<u>350,000</u>

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Note 12. Property, plant and equipment

	2026	2025
	\$	\$
Leasehold improvements - at cost	257,520	257,520
Less: Accumulated depreciation	<u>(239,618)</u>	<u>(235,334)</u>
	<u>17,902</u>	<u>22,186</u>
Plant and equipment - at cost	156,141	127,441
Less: Accumulated depreciation	<u>(126,909)</u>	<u>(125,088)</u>
	<u>29,232</u>	<u>2,353</u>
Fixtures and fittings - at cost	30,224	30,224
Less: Accumulated depreciation	<u>(29,456)</u>	<u>(28,199)</u>
	<u>768</u>	<u>2,025</u>
Motor vehicles - at cost	115,499	72,323
Less: Accumulated depreciation	<u>(46,219)</u>	<u>(37,469)</u>
	<u>69,280</u>	<u>34,854</u>
	<u><u>117,182</u></u>	<u><u>61,418</u></u>

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

	Leasehold improvements	Plant and equipment	Furniture and fittings	Motor vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2024	26,815	4,293	3,281	39,685	74,074
Depreciation	<u>(4,629)</u>	<u>(1,940)</u>	<u>(1,256)</u>	<u>(4,831)</u>	<u>(12,656)</u>
Balance at 30 June 2025	22,186	2,353	2,025	34,854	61,418
Additions	-	28,700	-	43,176	71,876
Depreciation	<u>(4,284)</u>	<u>(1,821)</u>	<u>(1,257)</u>	<u>(8,750)</u>	<u>(16,112)</u>
Balance at 30 June 2026	<u><u>17,902</u></u>	<u><u>29,232</u></u>	<u><u>768</u></u>	<u><u>69,280</u></u>	<u><u>117,182</u></u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	14 to 20 years
Plant and equipment	7 to 20 years
Furniture, fixtures and fittings	10 to 20 years
Motor vehicles	15 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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Note 13. Right-of-use assets

	2026	2025
	\$	\$
Land and buildings - right-of-use	429,044	421,163
Less: Accumulated depreciation	<u>(272,934)</u>	<u>(228,139)</u>
	<u><u>156,110</u></u>	<u><u>193,024</u></u>

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

	Land and buildings \$
Balance at 1 July 2024	226,308
Remeasurement adjustments	9,341
Depreciation expense	<u>(42,625)</u>
Balance at 30 June 2025	193,024
Remeasurement adjustments	7,881
Depreciation expense	<u>(44,795)</u>
Balance at 30 June 2026	<u><u>156,110</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026	2025
	\$	\$
Franchise fee	105,348	105,348
Less: Accumulated amortisation	<u>(96,384)</u>	<u>(94,011)</u>
	<u>8,964</u>	<u>11,337</u>
Franchise renewal fee	226,767	226,767
Less: Accumulated amortisation	<u>(181,947)</u>	<u>(170,083)</u>
	<u>44,820</u>	<u>56,684</u>
	<u><u>53,784</u></u>	<u><u>68,021</u></u>

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Note 14. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2024	1,635	8,168	9,803
Additions	11,904	59,520	71,424
Amortisation expense	(2,202)	(11,004)	(13,206)
Balance at 30 June 2025	11,337	56,684	68,021
Amortisation expense	(2,373)	(11,864)	(14,237)
Balance at 30 June 2026	<u>8,964</u>	<u>44,820</u>	<u>53,784</u>

Accounting policy for intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	April 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2030

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

Note 15. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	6,898	5,787
Other payables and accruals	<u>66,085</u>	<u>54,885</u>
	<u>72,983</u>	<u>60,672</u>
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	72,983	60,672
Less statutory payables, included in trade and other payables	<u>(33,120)</u>	<u>(23,113)</u>
	<u>39,863</u>	<u>37,559</u>

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Note 16. Lease liabilities

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Property lease liabilities	54,122	52,041
<i>Non-current liabilities</i>		
Property lease liabilities	122,747	163,841
	<u>176,869</u>	<u>215,882</u>

Reconciliation of lease liabilities

	2026	2025
	\$	\$
Opening balance	215,882	250,019
Remeasurement adjustments	7,881	9,341
Lease interest expense	7,281	8,612
Lease payments - total cash outflow	(54,175)	(52,090)
	<u>176,869</u>	<u>215,882</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Ettalong Branch	3.80%	5 years	1 x 5 years	No	November 2029

Ettalong Beach Financial Services Limited
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Note 17. Employee benefits

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Annual leave	32,214	26,163
Long service leave	<u>28,218</u>	<u>34,508</u>
	<u>60,432</u>	<u>60,671</u>
<i>Non-current liabilities</i>		
Long service leave	<u>209</u>	<u>12,557</u>
	<u><u>60,641</u></u>	<u><u>73,228</u></u>

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Provisions

	2026	2025
	\$	\$
Lease make good	<u>57,218</u>	<u>55,123</u>

Lease make good

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$65,000 for the Ettalong Beach Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire in November 2029 at which time it is expected the face-value costs to restore the premises will fall due.

Accounting policy for provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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Note 19. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	756,711	756,711	756,711	756,711
Less: Equity raising costs	-	-	(34,607)	(34,607)
	<u>756,711</u>	<u>756,711</u>	<u>722,104</u>	<u>722,104</u>

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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Note 19. Issued capital (continued)

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

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

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

Note 20. Dividends

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

	2026	2025
	\$	\$
Fully franked dividend of 10 cents per share (2025: 10 cents)	75,671	75,671
Interim fully franked dividend of 9 cents per share (2025: 10 cents)	68,104	75,671
	<u>143,775</u>	<u>151,342</u>

Franking credits

	2026	2025
	\$	\$
Franking account balance at the beginning of the financial year	221,751	244,066
Franking credits (debits) arising from income taxes paid (refunded)	97,965	28,133
Franking debits from the payment of franked distributions	(47,925)	(50,448)
	<u>271,791</u>	<u>221,751</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	271,791	221,751
Franking credits (debits) that will arise from payment (refund) of income tax	(4,946)	24,664
Franking credits available for future reporting periods	<u>266,845</u>	<u>246,415</u>

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

Accounting policy for dividends

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

Note 21. Financial risk management

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

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

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30 June 2026

Note 21. Financial risk management (continued)

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

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

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

	2026 \$	2025 \$
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	135,892	642,904
Trade and other receivables excluding prepayments (note 10)	124,075	139,917
Investments (note 11)	870,387	350,000
	<u>1,130,354</u>	<u>1,132,821</u>
Financial liabilities		
Trade and other payables (note 15)	39,863	37,559
Lease liabilities (note 16)	176,869	215,882
	<u>216,732</u>	<u>253,441</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Ettalong Beach Financial Services Limited
Notes to the financial statements
30 June 2026

Note 21. Financial risk management (continued)

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$135,892 and investments of \$870,387 at 30 June 2026 (2025: \$642,904 and \$350,000).

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026				
Trade and other payables	39,863	-	-	39,863
Lease liabilities	55,056	133,053	-	188,109
Total non-derivatives	94,919	133,053	-	227,972
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	37,559	-	-	37,559
Lease liabilities	52,939	180,874	-	233,813
Total non-derivatives	90,498	180,874	-	271,372

Note 22. Key management personnel disclosures

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

Donald John Wilson
Bruce Maxwell Croft
Robert Henry Millwood
Paul David Thomas
(Sidney) Michael Trewern Tame

Anthony Peter McKeon
Michael Allan Cairns
Marisha Diana Blanco
Jeanette Maxine Polley
Victor Li-Chiong Tiong

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

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

Ettalong Beach Financial Services Limited
Notes to the financial statements
30 June 2026

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2026	2025
	\$	\$
The company engaged marketing services from a close family member of one of its directors	37,600	7,200
The company made a contribution, through the Community Enterprise Foundation, to the Ocean Beach Surf Life Saving Club. A director or a close family member of a director is on the committee of this entity	14,000	45,000

Note 24. Remuneration of auditors

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

	2026	2025
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	8,165	8,230
<i>Other services</i>		
Taxation advice and tax compliance services	7,526	5,282
General advisory services	3,860	3,305
Share registry services	12,121	8,440
	<u>23,507</u>	<u>17,027</u>
	<u><u>31,672</u></u>	<u><u>25,257</u></u>

Ettalong Beach Financial Services Limited
Notes to the financial statements
30 June 2026

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026	2025
	\$	\$
Profit after income tax expense for the year	210,248	275,999
Adjustments for:		
Depreciation and amortisation	75,144	68,487
Lease liabilities interest	7,281	8,612
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	15,428	(13,119)
Decrease/(increase) in income tax refund due	(4,946)	41,205
Decrease/(increase) in deferred tax assets	2,891	(1,967)
Increase in trade and other payables	12,311	23,533
Increase/(decrease) in provision for income tax	(24,664)	24,664
Increase/(decrease) in employee benefits	(12,587)	7,855
Increase in other provisions	2,095	2,018
Net cash provided by operating activities	<u>283,201</u>	<u>437,287</u>

Note 26. Earnings per share

	2026	2025
	\$	\$
Profit after income tax	<u>210,248</u>	<u>275,999</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>756,711</u>	<u>756,711</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>756,711</u>	<u>756,711</u>
	Cents	Cents
Basic earnings per share	27.78	36.47
Diluted earnings per share	27.78	36.47

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

Subsequent to 30 June 2026, the company received correspondence relating to a matter involving the company. The matter remains unresolved at the date of authorisation of these financial statements. No adjustment has been made to the amounts recognised in the financial statements as the matter was first formally notified to the company after the reporting date. The financial impact of the matter, if any, cannot presently be determined with sufficient reliability.

Ettalong Beach Financial Services Limited
Notes to the financial statements
30 June 2026

Note 29. Events after the reporting period (continued)

Subsequent to 30 June 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions. Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

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

Ettalong Beach Financial Services Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



(Sidney) Michael Trewern Tame
Chairman

24 September 2026



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

Independent auditor's report to the members of Ettalong Beach Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Ettalong Beach Financial Services Limited (the company), 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 2026 and of its financial performance for the year ended on that date
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of the company, which comprises:

- the Statement of financial position as at 30 June 2026
- the Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Statement of changes in equity for the year ended 30 June 2026
- the Statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policies, and
- the Directors' declaration.

Basis for opinion

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

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.



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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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

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

Lachlan Tatt
Lead Auditor