

Annual Report 2026

Fairy Meadow Community
Financial Services Limited

Community Bank
Wollongong

ABN 16 104 140 641



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Chairperson's report

For year ending 30 June 2026

For the financial year ending 30 June 2026 Fairy Meadow Community Financial Services Limited – Community Bank Wollongong

The 2025–2026 financial year has been one of steady consolidation, cautious optimism, and continued commitment to our community. As part of the Bendigo Bank network, we have again seen the value of purpose led banking, where customer relationships, community investment, and responsible governance remain central to our operations.

Economic and Market Conditions

The broader Australian economy has continued to experience below trend growth throughout the year, with households still navigating cost of living pressures and subdued consumer demand. Monetary policy remained responsive to inflation trends, and while the easing of the cash rate in the prior financial years provided some relief for borrowers, this has not been the case for our customers this financial year. Margins across the banking sector have remained tight. Competition for lending and deposits continues to intensify, requiring disciplined management and a strong focus on customer and community engagement.

Employment growth has continued to soften with unemployment rising, and economists expect this trend to persist into the next financial year. These conditions have shaped our operating environment and reinforced the importance of prudent financial management, targeted growth strategies, and ongoing investment in community relationships.

Business Performance

Despite the challenging economic landscape, Community Bank Wollongong has continued to demonstrate resilience. Lending and deposit growth remained a key focus for the Board, and we are pleased to report that progress across both areas is the highest it has been for a significant part of our operating years. Our profitability remains sound and we continue to deliver shareholder value through disciplined cost management and strategic investment in marketing, community partnerships, and customer service initiatives. Our profitability has allowed the Directors to provide a dividend to our loyal shareholders for the fourth consecutive financial year.

While margins remain tight, our commitment to being visible, engaged, and trusted within the Wollongong community has contributed to sustained business activity.

Community Impact

Our Community Bank model continues to demonstrate its unique value. By reinvesting profits back into local organisations, programs, and initiatives, we strengthen the social and economic fabric of Wollongong. This year, we supported a range of community groups, sporting clubs, education initiatives, and local events that directly benefit residents and contribute to a more connected, resilient community.

The Bendigo Bank network's continued emphasis on purpose, inclusion, and community wellbeing aligns strongly with our local priorities. We remain committed to supporting initiatives that foster belonging, financial capability, and long term community development. For shareholder information we have provided eight (8) sponsorships to local organisations. We have been able to bolster our community grants funds this year, allowing us to invest more in community projects in future years and provided four (4) grants to not for profit organisations.

Chairperson's report (continued)

Governance and Board Focus

The Board has maintained a strong focus on governance, risk management, and strategic oversight. We continue to ensure compliance with regulatory obligations, uphold high standards of transparency, and monitor performance closely. Our priorities this year included:

- Strengthening business development
- Supporting staff capability and wellbeing
- Enhancing community partnerships
- Ensuring robust financial oversight and risk controls
- Planning for sustainable long term growth

We also acknowledge the ongoing support and guidance provided by Bendigo Bank, whose national strategy and reporting framework continue to reinforce strong governance, risk management and community bank performance.

Acknowledgements

I extend my sincere thanks to our Branch Manager and staff, whose dedication, professionalism, and customer focused approach underpin our success. I also acknowledge my fellow Directors for their commitment, expertise, and stewardship throughout the year.

To our shareholders, thank you for your continued confidence and support. Your investment enables us to deliver meaningful community outcomes while building a strong and sustainable local banking presence.

Finally, to our customers and community partners, thank you for choosing to bank with Community Bank Wollongong and for continuing to support the Community Bank model. Your engagement ensures that our branch remains a vital contributor to the Wollongong region.

Looking Ahead

As we enter the 2026–2027 financial year, we remain optimistic. While economic conditions may continue to present challenges, our focus on community, customer relationships, and responsible growth positions us well for the future. We will continue to strengthen our business, deepen our community impact with an increased budget for community projects, and uphold the values that define our Community Bank. While Bendigo Bank undergoes a refocused community bank model, I am committed along with the other Directors to continue being financially responsible for our shareholders and community.

We look forward to another year of partnership, progress, and purpose driven banking.



Bobbi Brodie
Chairperson

Fairy Meadow Community Financial Services Limited Community Bank Wollongong

Manager's report

For year ending 30 June 2026

2024-25 was another year of uncertainties, with wars, tariffs, inflation and interest rate changes." That's how last year's report started and although it was an unusual year, 2025-26 brought up just as many challenges around the world's economy all of which had some kind of effect on Community Bank Wollongong. With all this being said, Community Bank Wollongong achieved some outstanding results.

This year we continued to focus on our processes and making them as seamless as possible. We also continued to focus on our customer service and our accountability. We continue to build on our team to have the best possible people in the right positions to help our customers achieve their financial goals.

With all the challenges we faced in 2025-26 it was such a delight that we were able to continue our commitment to our community by giving back over \$61,000 in sponsorships, donations, and grants.

2025-26 Financial highlights

Total Loan Growth - \$7.485 million

Total Deposit Growth - \$6.620 million

Total Portfolio Growth - \$13,872 million

Total Portfolio - \$162,807 million

To the Board of Directors of Fairy Meadow Community Financial Services Limited who give their time and service to make Community Bank Wollongong so successful, and to all the community, clients, friends and shareholders, congratulations on another outstanding year which would not be possible without your ongoing support.

Finally, I would like to thank my entire staff Silvana, Matt, Mia and Meredith for their passion and commitment they have shown over the past year in difficult circumstances, none of the above would have been possible without you.

Matt Holmes
Branch Manager

Directors' report

The Directors present their report of the Company for the financial year ended 30 June 2026.

Directors

The following persons were Directors of Fairy Meadow Community Financial Services Limited during or since the end of the financial year up to the date of this report:

Name of Director	Appointment Date	Qualifications & Special Responsibilities	
Anthony O'Connor	29/04/2014	Retired CEO	Deputy Chairman
Bobbi Brodie	19/09/2022	Director - NSW Public Service	Chairman
Teagan Curtin	26/07/2022	Financial Planner	Secretary
Amy Lewis	24/03/2023	Leasing Executive	
Marija Murray	19/10/2023	Accountant	Treasurer
Marie Russo	28/10/2024	Lawyer	
Flavio Corbanese	22/04/2026	Retired Loan Consultant	

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

Directors' meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	Attended	Eligible to Attend
Anthony O'Connor	10	10
Teagan Curtin - approved leave of absence	3	10
Bobbi Brodie	8	10
Amy Lewis	7	10
Marija Murray	6	10
Marie Russo	9	10
Flavio Corbanese	2	2

Director leave of absence

Teagan Curtin remained a director throughout the financial year. The director was on approved leave of absence from December 2025 to June 2026. During this period, the director did not attend board meetings and did not participate in board decisions.

Principal activities

The principal activities of the Company during the course of the financial year were in providing Community Bank® branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have been no significant changes in the nature of these activities during the year.

Review of operations

The profit of the Company for the financial year after provision for income tax was \$145,057 (2025 profit \$176,980).

Directors' report (continued)

Dividends

During the year a dividend was paid totalling \$34,000 (5 cents per fully paid share) on 8 December 2025. A final ordinary dividend of \$34,000 (5 cents per fully paid share) was approved by Directors in June 2026 and is proposed to be paid on 4 December 2026, out of retained earnings at 30 June 2026.

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 the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the financial year that significantly affect 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.

Likely developments

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

Environmental regulations

The Company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The Company has agreed to indemnify each Officer (Directors, Secretary and employees) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers' Insurance for the benefit of Officers of the Company against any liability incurred by an Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

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.

Proceedings on behalf of company

No person has applied for leave of court 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. The Company was not a party to any such proceedings during the year.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No Officer of the Company is or has been a partner of the Auditor of the Company.

Directors' report (continued)

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Equity holdings of key management personnel

The number of ordinary shares in the Company held during the current or comparative financial year by each Director and other key management personnel, including their related parties, are set out below:

Name	Balance at 30 June 2025	Net change in holdings	Balance at 30 June 2026
Directors			
Flavio Corbanese	2,000	-	2,000

Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

The directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors on 23 September 2026.


.....
Anthony O'Connor
Deputy Chairman


.....
Bobbi Brodie
Chairman

Auditor's independence declaration



Auditor's Independence Declaration under *Section 307C of the Corporations Act 2001* To the Directors of Fairy Meadow Community Financial Services Limited

As lead auditor for the audit of Fairy Meadow Community 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 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.

Daley Audit

Daley Audit

Michael Mundt

Michael Mundt
Partner

Wollongong

23 September 2026

Liability limited by a scheme approved under Professional Standards Legislation.

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Scheme approved under
Professional Standards
Legislation.



Financial statements

Fairy Meadow Community Financial Services Limited
ABN 16 104 140 641
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	2	1,197,252	1,200,798
Expenses			
Employee benefits expense	3	(474,398)	(538,089)
Depreciation and amortisation	3	(130,546)	(134,513)
Administration and general costs		(84,500)	(85,287)
Bad and doubtful debts recovered / (expense)	3	92	(8,042)
Lease interest	26	(19,649)	(23,202)
IT costs		(27,135)	(29,283)
Marketing		(42,249)	(30,407)
Professional services		(63,189)	(59,780)
Property expenses		(40,904)	(47,096)
Charitable donations and sponsorships		(116,200)	(13,019)
Profit / (loss) before income tax		198,574	232,079
Income tax (expense) / benefit	4	(53,517)	(55,099)
Profit / (loss) for the year		145,057	176,980
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year attributable to the owners of the Company		145,057	176,980
Profit / (loss) attributable to members of the Company		145,057	176,980
Total comprehensive income attributable to members of the Company		145,057	176,980
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company (cents per share):			
- basic (loss)/ earnings per share		21.33	26.03
- diluted earnings per share		21.33	26.03

Financial statements (continued)

Fairy Meadow Community Financial Services Limited
ABN 16 104 140 641
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	5	47,372	342,896
Trade and other receivables	6	129,171	115,911
Financial assets	7	1,280,931	863,191
Current tax asset		-	19,016
Other assets	8	19,815	15,101
Total current assets		1,477,289	1,356,115
Non-current assets			
Property, plant and equipment	9	29,825	36,576
Right of use asset	26	218,662	306,127
Intangible assets	10	32,712	46,731
Deferred tax assets	4	34,171	37,467
Total non-current assets		315,370	426,901
Total assets		1,792,659	1,783,016
Liabilities			
Current liabilities			
Trade and other payables	11	69,201	67,458
Current tax liability		9,156	-
Lease liabilities	26	95,857	91,399
Provisions	12	48,859	55,459
Total current liabilities		223,073	214,316
Non-current liabilities			
Trade and other payables	11	15,421	30,843
Lease liabilities	25	173,310	269,168
Provisions	12	72,460	71,276
Total non-current liabilities		261,191	371,287
Total liabilities		484,265	585,603
Net assets		1,308,394	1,197,413
Equity			
Issued capital	13	680,000	680,000
Profit reserve	15	32,307	32,307
Retained earnings / (accumulated losses)		596,087	485,106
Total equity		1,308,394	1,197,413

Financial statements (continued)

Fairy Meadow Community Financial Services Limited
ABN 16 104 140 641
Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Profit reserves \$	Total equity \$
Balance at 1 July 2024		680,000	342,051	32,307	1,054,358
Profit for the year ended 30 June 2025		-	176,980	-	176,980
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	176,980	-	176,980
Transactions with owners, in their capacity as owners					
Dividends paid or provided	23	-	(34,000)	-	(34,000)
Balance at 30 June 2025		<u>680,000</u>	<u>485,031</u>	<u>32,307</u>	<u>1,197,338</u>
Profit for the year ended 30 June 2026		-	145,057	-	145,057
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	145,057	-	145,057
Transactions with owners, in their capacity as owners					
Dividends paid or provided	23	-	(34,000)	-	(34,000)
Balance at 30 June 2026		<u>680,000</u>	<u>596,088</u>	<u>32,307</u>	<u>1,308,394</u>

Financial statements (continued)

Fairy Meadow Community Financial Services Limited
ABN 16 104 140 641
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		1,248,174	1,282,724
Payments to suppliers and employees		(987,664)	(953,313)
Interest paid		(19,649)	(20,438)
Interest received		51,117	36,089
Income tax (paid) / refunded		(22,048)	(76,819)
Net cash provided by operating activities	14a	<u>269,930</u>	<u>268,243</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,310)	(19,350)
Net redemption / (purchase) of investments		(417,740)	100,617
Purchase of intangible assets		-	-
Net cash flows from / (used in) investing activities		<u>(440,050)</u>	<u>81,267</u>
Cash flows from financing activities			
Repayment of lease liabilities		(91,404)	(82,911)
Dividends paid		(34,000)	(34,000)
Net cash provided by / (used in) financing activities		<u>(125,404)</u>	<u>(116,911)</u>
Net increase / (decrease) in cash held		(295,524)	232,599
Cash and cash equivalents at beginning of financial year		342,896	110,297
Cash and cash equivalents at end of financial year	5	<u><u>47,372</u></u>	<u><u>342,896</u></u>

Notes to the financial statements

Fairy Meadow Community Financial Services Limited

ABN 16 104 140 641

Notes to the Financial Statements for the year ended 30 June 2026

These financial statements and notes represent those of Fairy Meadow Community Financial Services Limited ("the Company" as an individual entity.

Fairy Meadow Community Financial Services Limited ('the Company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 23 September 2026.

1. Summary of material accounting policies

(a) Basis of preparation

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 and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

Economic dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branch located at Fairy Meadow.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operation of Bendigo and Adelaide Bank Limited. the Company manages the Community Bank® branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank® branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch 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 in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank®** branch;
- Training for the Branch Managers 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; and
- Sale techniques and proper customer relations.

(b) Income tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Fair value of assets and liabilities

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 Australian 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 (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(c) Fair value of assets and liabilities (continued)

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 (ie 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 Company at the end of the reporting period (ie 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.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

<i>Class of asset</i>	<i>Rate</i>	<i>Method</i>
Leasehold improvements	10%	PC
Plant and equipment	10% - 30%	DV
Fixtures and Fittings	10% - 20%	DV
Motor Vehicles	25%	DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

(e) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Australian Accounting Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Australian Accounting Standard.

(f) Intangible assets

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum, ie 5 years. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

(g) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(g) Revenue and other income (continued)

Revenue from contracts with customers (continued)

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The Company recognises revenue from the following major source providing Community Bank[®] branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Provision of branch services ("services commissions")

Revenue from the provision of branch services is recognised over the period in which the services are rendered. The contract for branch services are subject to a formal franchise agreement.

The agreement includes an enforceable right for the Company to receive payment for work performed to date based on the services provided based upon observable data and therefore the criteria for recognition of revenue over time is met.

The Company's payment terms are 30 days from the end of the month and accordingly there is no financing element to the services provided.

At the end of each month, the Company recognises a receivable as this represents the point in time at which the Company's right to consideration becomes unconditional as a Recipient Created Tax invoice (or equivalent) accompanies the services provided, as only the passage of time is required before payment is due.

Other income

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

Interest revenue is recognised on a time proportional basis that taken into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(h) Financial instruments (continued)

(i) *Financial assets*

All recognised financial assets are subsequently measured in their entirety at cost.

Classification

On initial recognition, the Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(i) *Financial assets (continued)*

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

(ii) *Financial liabilities*

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables and other payables and lease liabilities.

(j) *Impairment of non-financial assets*

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(k) Issued capital

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.

(l) Dividends

Provision is made for the amount of any dividends declared being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year, but not distributed at balance date.

(m) Comparative figures

When required by Australian Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss after tax, attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

(o) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(o) Leases (continued)

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of depreciable assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Estimation of employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Notes to the financial statements (continued)

1. Summary of material accounting policies (continued)

(p) Critical accounting estimates and judgements (continued)

Income tax

The Company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the Company's assessment of future cash flows.

Impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Provision for Make Good

Provision is made in respect of the Company's estimated liability to restore leased premises to their original condition at the end of the lease. The provision is measured as the present value of future cash flows estimated to be required to settle the make good obligation. The future cash flows have been estimated by reference to the terms of the relevant lease or agreement, expected restoration works, current cost estimates and management's assessment of the condition of the premises."

	2026 \$	2025 \$
2. Revenue and other income		
<i>Revenue from contracts with customers</i>		
- services commissions	1,152,996	1,151,734
	<u>1,152,996</u>	<u>1,151,734</u>
<i>Other income</i>		
- interest received	44,256	49,063
	<u>44,256</u>	<u>49,063</u>
Total revenue	<u>1,197,252</u>	<u>1,200,798</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	-	-
- Over time	1,152,996	1,151,734
Revenue from contracts with customers	<u>1,152,996</u>	<u>1,151,734</u>

Notes to the financial statements (continued)

	2026 \$	2025 \$
3. Expenses		
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	420,992	484,185
- superannuation costs	53,406	53,904
	<u>474,398</u>	<u>538,089</u>
Depreciation and amortisation		
<i>Depreciation</i>		
- plant and equipment	28,359	27,448
- leasehold improvements	702	5,579
	<u>29,061</u>	<u>33,027</u>
Amortisation		
- franchise fees	14,019	14,019
- right of use asset	87,465	87,466
Total depreciation and amortisation	<u>130,545</u>	<u>134,513</u>
Bad and doubtful debts (recovered) / expenses	(92)	8,042
Loss on sale of non-current assets	-	1,038
Auditor's remuneration		
<i>Remuneration of the Auditor for:</i>		
- Audit and review of the financial report	<u>16,600</u>	<u>14,450</u>
4. Income tax		
a. The components of tax expense / (income) comprise:		
Current tax expense	50,220	51,838
Deferred tax expense / (income)	3,297	3,261
	<u>53,517</u>	<u>55,099</u>
b. Prima facie tax payable		
The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 25% (2025: 25%)	49,644	58,020
Less tax effect of:		
- Changes in temporary differences	3,873	(2,921)
Income tax attributable to the entity	<u>53,517</u>	<u>55,099</u>

Notes to the financial statements (continued)

	2026 \$	2025 \$
4. Income tax (continued)		
b. Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit @ 25%	-	-
Deferred tax assets balance comprises:		
Lease liabilities	27,613	27,704
Accruals	(285)	673
Employee provisions	6,843	9,090
	<u>34,171</u>	<u>37,467</u>
Deferred tax liabilities balance comprises:		
Accrued income	-	-
Property, plant & Equipment	-	-
	<u>-</u>	<u>-</u>
Net deferred tax asset	<u>34,171</u>	<u>37,467</u>
5. Cash and cash equivalents		
Cash at bank and on hand	47,372	342,896
	<u>47,372</u>	<u>342,896</u>
6. Trade and other receivables		
Current		
Trade receivables	112,621	92,500
Other receivables	16,550	23,411
	<u>129,171</u>	<u>115,911</u>

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

Notes to the financial statements (continued)

6. Trade and other receivables (continued)

Credit risk (continued)

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2025	\$	\$	\$	\$	\$	\$
Trade receivables	92,500	-	-	-	-	92,500
Other receivables	23,411	-	-	-	-	23,411
Total	115,911	-	-	-	-	115,911
2026						
Trade receivables	112,621	-	-	-	-	112,621
Other receivables	16,550	-	-	-	-	16,550
Total	129,171	-	-	-	-	129,171

7. Financial assets	2026	2025
	\$	\$
<i>Amortised cost assets</i>		
Term deposits	1,280,931	863,191
	<u>1,280,931</u>	<u>863,191</u>

The effective interest rate on short-term bank deposits was between 3.8% and 4.5% (2025: 2.9% - 4.7%); these deposits have a maturity of between 6 and 9 months.

8. Other assets

Prepayments	19,815	15,101
	<u>19,815</u>	<u>15,101</u>

9. Property, plant and equipment

Leasehold improvements

At cost	114,151	114,151
Less accumulated depreciation	(109,696)	(108,994)
	<u>4,455</u>	<u>5,157</u>

Fixtures and Fittings

At cost	149,203	142,575
Less accumulated depreciation	(143,203)	(135,729)
	<u>6,000</u>	<u>6,846</u>

Notes to the financial statements (continued)

	2026 \$	2025 \$
9. Property, plant and equipment (continued)		
<i>Plant and equipment</i>		
At cost	112,109	96,428
Less accumulated depreciation	(106,495)	(90,197)
	<u>5,614</u>	<u>6,231</u>
<i>Motor Vehicles</i>		
At cost	25,180	25,180
Less accumulated depreciation	(11,424)	(6,838)
	<u>13,756</u>	<u>18,342</u>
Total property, plant and equipment	<u>29,825</u>	<u>36,576</u>
Movements in carrying amounts		
<i>Leasehold improvements</i>		
Balance at the beginning of the reporting period	5,157	10,736
Depreciation expense	(702)	(5,579)
Balance at the end of the reporting period	<u>4,455</u>	<u>5,157</u>
<i>Fixtures and Fittings</i>		
Balance at the beginning of the reporting period	6,846	7,852
Additions	6,628	18,715
Depreciation expense	(7,474)	(19,721)
Balance at the end of the reporting period	<u>6,000</u>	<u>6,846</u>
<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	6,231	7,209
Additions	15,682	635
Depreciation expense	(16,299)	(1,613)
Balance at the end of the reporting period	<u>5,614</u>	<u>6,231</u>
<i>Motor Vehicles</i>		
Balance at the beginning of the reporting period	18,342	24,456
Additions	-	-
Depreciation expense	(4,586)	(6,114)
Balance at the end of the reporting period	<u>13,756</u>	<u>18,342</u>
Total property, plant and equipment		
Balance at the beginning of the reporting period	36,576	50,253
Additions	22,310	19,350
Disposals	-	-
Depreciation expense	(29,061)	(33,027)
Balance at the end of the reporting period	<u>29,825</u>	<u>36,576</u>

Notes to the financial statements (continued)

	Note	2026 \$	2025 \$
10. Intangible assets			
<i>Franchise fee</i>			
At cost		70,097	70,097
Less accumulated amortisation		(37,385)	(23,366)
Total intangible assets		32,712	46,731
Movements in carrying amounts			
<i>Franchise fee</i>			
Balance at the beginning of the reporting period		46,731	60,751
Additions		-	-
Amortisation expense		(14,019)	(14,019)
Balance at the end of the reporting period		32,712	46,731
11. Trade and other payables			
Current			
<i>Unsecured liabilities:</i>			
Trade creditors		19,118	13,324
Other creditors and accruals		50,083	54,133
		69,201	67,458
Non-current			
<i>Unsecured liabilities</i>			
Other creditors		15,421	30,843
Total trade and other payables		84,622	98,300
The average credit period on trade and other payables is one month.			
12. Provisions			
Current			
Annual leave		14,859	21,459
Long service leave		-	-
Dividend	23	34,000	34,000
		48,859	55,459
Non-current			
Long service leave		12,512	14,903
Make good provision		59,948	56,373
		72,460	71,276
Total provisions		121,320	126,735
13. Share capital			
680,000 Ordinary shares fully paid		680,000	680,000
		680,000	680,000

Notes to the financial statements (continued)

	2026 \$	2025 \$
13. Share capital (capital)		
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	680,000	680,000
Shares issued during the year	-	-
At the end of the reporting period	<u>680,000</u>	<u>680,000</u>

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.

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitors the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

14. Cash flow information

(a) Reconciliation of cash flow from operations with profit after income tax

Profit / (loss) after income tax	145,057	176,980
Non-cash flows in profit		
- Depreciation and amortisation	130,546	134,513
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(13,260)	4,040
- (increase) / decrease in prepayments and other assets	(4,714)	7,238
- (Increase) / decrease in tax assets and liabilities	31,469	(20,908)
- Increase / (decrease) in trade and other payables	(13,753)	(20,569)
- Increase / (decrease) in provisions	(5,415)	(13,050)
Net cash flows from operating activities	<u>269,930</u>	<u>268,243</u>

15. Reserves

This reserve records the net undistributed profit from the year ending 30 June 2019 which is available for distribution at a later time.

Notes to the financial statements (continued)

	2026 \$	2025 \$
16. Earnings per share		
Basic earnings per share (cents)	21.33	26.03
Earnings used in calculating basic and diluted earnings per share	145,057	176,980
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share.	680,000	680,000

17. Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) 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 is considered key management personnel.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Total key management personnel compensation	<u>-</u>	<u>-</u>

(b) 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.

(c) Transactions with key management personnel and related parties

No key management personnel or related party has entered into any contracts with the Company. No Director fees have been paid as the positions are held on a voluntary basis.

The Fairy Meadow Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank®** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits.

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be trivial.

(d) Key management personnel shareholdings

A member of key management personnel held ordinary shares in the Company during the current year. (2025: none held in the prior year). Refer to the Directors' Report for further details.

(e) Other key management transactions

There have been no other transactions involving equity instruments other than those described above.

Notes to the financial statements (continued)

18. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

The financial report was authorised for issue on 23 September 2026 by the Board of Directors.

19. Contingent liabilities and contingent assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements. (2025: none)

20. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being the Illawarra, NSW. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2025: 100%).

21. Commitments

Refer to note 26 for information on leases.

22. Company details

The registered office and principal place of business is 37-39 Princes Highway, Fairy Meadow NSW 2519.

23. Dividends paid or provided for on ordinary shares

Dividends paid or provided for during the year

A final fully franked ordinary dividend of \$34,000 (5 cents per fully paid share) was approved by Directors in June 2026 and is due to be paid on 4 December 2026 out of retained earnings at 30 June 2026. (2025: 5 cents per share).

	2026	2025
Franking account	\$	\$
The franking credits available for subsequent financial years at a tax rate of 25%.	302,266	236,003

The above available balance is based in the dividend franking account balance at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end.

24. Fair value measurements

The carrying amounts of assets and liabilities recorded in the financial statements represent their fair values, as determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

Notes to the financial statements (continued)

25. Financial risk management

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Governance Committee which reports regularly to the Board.

Specific financial risk exposure and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the Company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Notes to the financial statements (continued)

25. Financial risk management (continued)

Specific financial risk exposure and management (continued)

The Company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies are as follows:

	Note	2026 \$	2025 \$
Financial assets			
Cash and cash equivalents	5	47,372	342,896
Trade and other receivables	6	129,171	115,911
Financial assets	7	1,280,931	863,191
Total financial assets		<u>1,457,474</u>	<u>1,321,998</u>
Financial liabilities			
Trade and other payables	11	84,622	98,300
Lease Liabilities		269,167	360,571
Total financial liabilities		<u>353,789</u>	<u>458,871</u>

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The Company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The Company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the Company are past due (2025: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. the Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Notes to the financial statements (continued)

25. Financial risk management (continued)

(b) Liquidity risk (continued)

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2026	Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets					
Cash and cash equivalents	1%	47,372	47,372	-	-
Trade and other receivables	0%	129,171	129,171	-	-
Financial assets	3%	1,280,931	1,280,931	-	-
Total anticipated inflows		1,457,474	1,457,474	-	-
Financial liabilities					
Trade and other payables	0%	84,622	69,201	15,421	-
Lease liabilities	0%	269,167	95,857	173,310	-
Total expected outflows		353,789	165,058	188,731	-
Net inflow / (outflow) on financial instruments		1,103,685	1,292,416	(188,731)	-

(b) Liquidity risk

30 June 2025	Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets					
Cash and cash equivalents	1%	342,896	342,896	-	-
Trade and other receivables	0%	115,911	115,911	-	-
Financial assets	3%	863,191	863,191	-	-
Total anticipated inflows		1,321,998	1,321,998	-	-

Notes to the financial statements (continued)

25. Financial risk management (continued)

(b) Liquidity risk (continued)

	Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities					
Trade and other payables	0%	98,300	67,458	30,843	-
Lease liabilities	0%	360,567	91,399	269,168	-
Total expected outflows		<u>458,867</u>	<u>158,857</u>	<u>300,011</u>	<u>-</u>
Net inflow / (outflow) on financial instruments		<u>863,131</u>	<u>1,163,142</u>	<u>(300,011)</u>	<u>-</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Company to interest rate risk are fixed interest securities, cash and cash equivalents and financial assets.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2026		
+/- 1% in interest rates (interest income)	13,283	13,283
	<u>13,283</u>	<u>13,283</u>
Year ended 30 June 2025		
+/- 1% in interest rates (interest income)	12,061	12,061
	<u>12,061</u>	<u>12,061</u>

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The Company has no exposure to fluctuations in foreign currency.

Notes to the financial statements (continued)

25. Financial risk management (continued)

(d) Price risk

The Company is not exposed to any material price risk.

26. Leases

Company as a lessee

The Company has leases over its office premises. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases:

The property premises lease is for 60 months, with CPI increases each year, with no option to extend. The agreement includes a make-good clause to restore the leased premise to its former condition upon lease termination.

	2026 \$	2025 \$
Year end 30 June 2026		
Balance at beginning of year	306,127	393,593
Amortisation charge	(87,465)	(87,466)
Balance at end of year	<u>218,662</u>	<u>306,127</u>

Future lease payments

	Total undiscounted lease liabilities \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
2026				
Lease Liabilities	287,292	111,780	175,512	-
2025				
Lease Liabilities	394,770	107,478	287,292	-

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

Depreciation expense	(87,465)	(87,466)
Adjustment to lease liability	-	-
Interest expense	(19,649)	(23,202)
	<u>(107,114)</u>	<u>(110,668)</u>

Statement of Cash Flows

Total cash outflow for leases	<u>91,404</u>	<u>103,352</u>
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Consolidated Entity Disclosure Statement

Fairy Meadow Community Financial Services Limited does not have any controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore Section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Directors' declaration

In accordance with a resolution of the Directors of Fairy Meadow Community Financial Services Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 33 are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the Company's financial position as at 30 June 2026 and of the performance for the year ended on that date;
2. In the Directors' opinion 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 consolidated entity disclosure statement on page 33 is true and correct.

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


.....
Anthony O'Connor
Deputy Chairman


.....
Bobbi Brodie
Chairman

Signed on 23 September 2026

Independent audit report



Independent Audit Report to the members of Fairy Meadow Community Financial Services Limited

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Fairy Meadow Community Financial Services Limited ("the Company"), which comprises the balance sheet as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the financial report of 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 performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Accounting 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* ("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.

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Scheme approved under
Professional Standards
Legislation.





Independent Audit Report to the members of Fairy Meadow Community Financial Services Limited

Other Information

The Directors are responsible for the other information. The other information comprises any information that does not form part of the financial report, as defined in the Opinion section of this Independent Audit Report for the year ended 30 June 2026, 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the Financial Report

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

- a) 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
- b) 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 from 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 to cease operations, or have no realistic alternative but to do so.

These Directors are responsible for overseeing the general purpose financial statements financial preparation process.



Independent Audit Report to the members of Fairy Meadow Community Financial Services Limited

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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.

Daley Audit
Daley Audit

Michael Mundt
Michael Mundt
Partner

Wollongong

Dated: 23 September 2026

Liability limited by a scheme approved under Professional Standards Legislation.

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