

Annual Report 2025

Freycinet Coast Financial
Services Limited

Community Bank
Swansea and Bicheno
ABN 32 127 068 222

Contents

Chair's Report.....	4
Branch Manager's Report.....	5
Bendigo Report.....	6
Director's Report.....	7
Auditor's Independence Declaration.....	9
Financial Statements	10
Statement of Financial Position.....	11
Statement of Changes in Equity	12
Statement of Cash Flows.....	13
Notes to the Financial Statements.....	14
Director's Declaration	23
Independent Auditor's Report.....	24

Chair's Report

The financial year delivered an operating profit of \$130,382 before community contributions of \$124,982.

The Community Bank (CB) has maintained its book of loans and deposits over the financial year at around \$110 million.

The costs of doing business increase year by year and it is vitally important to maintain and grow the book.

The CB is somewhat constrained by the demographic of Glamorgan Spring Bay Municipality in achieving growth but is always out there promoting its services.

The continuing support of the community is needed to maintain the sustainability of the CB.

Bendigo and Adelaide Bank have just commenced a review of the CB model and the impact from this review will not be known for at least 12 months.

The board had been looking for a significant project to fund which will be of benefit to the wider community in which it operates.

May Shaw which runs the nursing home at Swansea and provides consulting rooms for the Swansea General Practice received funding from the State Government to assist in the upgrade of facilities for the practice and home care division.

The board agreed to support the project in conjunction with May Shaw with a contribution of \$100,000 this financial year and further support next financial year from the Community Enterprise Foundation and operating results.

This helps underwrite improved health services for the region which as we know is important for the residents and visitors.

There have been a number of changes on the human resources front again this year which has absorbed a lot of the Senior Branch Manager's time. Hopefully, this settles down for the next financial year.

This year the board has recruited three new directors. This is an important step in strengthening the depth, numbers and experience of the board and maintaining strong governance of the CB.

The new members are Rob Johns a retired finance executive with extensive experience in the finance sector, Tim High a retired company director with international experience in the dairy industry and Alcuin Hacker who runs a consulting practice which primarily consults to the not for profit/ charity sector.

I thank the board members for their attendance at meetings and support over the year.

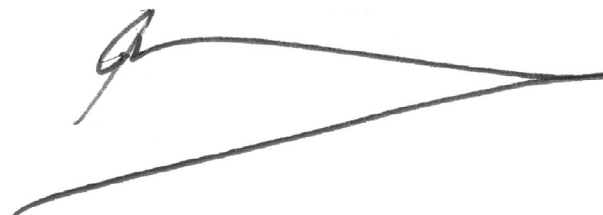
Thanks to Kristen our Senior Branch Manager for her dedicated service. It has been a challenging year again for her and she has performed at a high level.

We still have the resource sharing arrangement in place with St Helens.

Thanks to Martyn Neville our Regional Manager who provides support to Kristen and the board.

Thanks to the staff for their efforts over the year.

The next financial year will be one not without challenges.



John Fletcher
CHAIRPERSON

Branch Manager's Report

Freycinet Coast Financial Services Limited continues to provide full banking services in Swansea and Bicheno, the only Bank in our community.

2025 has bought with it the celebration for Freycinet Coast Financial Services Limited of giving a total of \$671,127 back to our community in our 17 years of trading. This has been through funding of grants, sponsorship and student bursaries to each of our local schools for their year 6 and 10 leavers.

During the year we supported May Shaw Health Centre with \$30,000 to assist with the purchase of a new bus, Freycinet Volunteer Marine Rescue with \$45,000 to assist with the purchase of a new sea rescue vessel, a \$10,000 sponsorship assisted Swansea Primary School to take their year 4/5/6 students to Canberra on School Camp, we have also provided an initial \$100,000 to May Shaw Health Centre to assist with their upcoming building project to provide additional consulting suites for the Doctors Surgery and Home Care divisions. Funding has also been provided to Bicheno Surf Life Saving Club, Surfside Netball, Bicheno Landcare Inc, Bicheno Beams, Bicheno Volunteer Ambulance, ECHO Festival, Freycinet Challenge, Bicheno Food & Wine Festival, Swansea Car, Truck and Bike Show, Spring Bay RSL Sub-Branch, Spring Bay Community Food Hub, numerous sporting clubs in our municipality, and many more projects.

In FY25 Community Banking invested more than \$50 million into local communities, adding to a total of \$416 million since 1998 in Australia Nationally. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

As always, we had some staff changes. We farewellled Nik Clark & Nonni Warcon. Isabelle Horwood transferred to Bendigo Bank Hobart and Danielle Huppatz is currently on maternity leave. Rachael Stewart, Aaron Huppartz, Angela Wickham and Mark Nikolaev have joined us. The team have continued to provide our customers with exceptional service. I am very proud of my team and the customer service they provide. We pride ourselves on guiding customers through financial decisions and helping customers to achieve their goals & dreams.

My heartfelt thanks to Martyn Neville, our Regional Manager for his support & guidance.

Our Community Bank board of directors are volunteers working for our community, all people with very busy lives. I thank them for their support, and for their service to our community.

To our shareholders, thank you for your ongoing support. It is because of you that we have a bank in our regional towns.

As stated, Freycinet Coast Financial Services Limited continues to provide full banking services in Swansea and Bicheno, the only Bank in our community. We want to stay profitable to be sustainable and give back to our community. To do so we require your ongoing support.

So I ask you, our Community Bank Shareholders- when was the last time you reviewed your current banking?! Do you have banking with other financial institutions that is not currently supporting your community bank?

We are the better big bank, Australia's most trusted bank, with Australia's most satisfied home loan customers. In the current interest rate environment, our Free Home Loan Health Check has the ability to save customers or non-customers that choose to switch thousands of dollars.

Be sure to have any of your family & friends with any banking of financial requests reach out to allow the team to assist.

Support us, to support you & our community.

Together we can make great things happen!



Kristen Darke
SENIOR BRANCH MANAGER

Bendigo Report

This year marks another significant chapter in our shared journey, one defined by adaptation, collaboration, and remarkable achievements. I'm immensely proud of our collective progress and the unwavering commitment demonstrated by our combined networks.

We began 2025 with a renewed focus on model evolution, a top priority that guided our decisions and initiatives throughout the year. This involved navigating the Franchising Code and broader regulatory changes to the Franchise Agreement. Thanks to the network's proactive engagement and cooperation, we successfully reviewed the agreement, and the necessary changes were implemented smoothly.

Beyond the operational successes, I want to highlight the invaluable contributions our Community Banks continue to make to their local communities. The dedication and commitment to supporting local initiatives remain a cornerstone of our combined success and a source of immense pride for Bendigo Bank.

In FY25, more than \$50 million was invested in local communities, adding to a total of and \$416 million since 1998. This funding enables community infrastructure development, strengthens the arts and

culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your resilience, adaptability, and unwavering belief in our vision have been instrumental in our success. You are an integral part of the Bendigo Bank Community Banking family.

Your continued support is vital, and the results we've achieved together in 2025 underscore the continuing relevance and importance of the Community Bank model.

A handwritten signature in black ink, appearing to read 'Justine Minne', followed by a period.

Justine Minne
HEAD OF COMMUNITY BANKING

Director's Report

For the Year Ended 30 June 2025

The directors present their report on Freycinet Coast Financial Services Ltd for the financial year ended 30 June 2025.

Information on Directors

John Fletcher Qualifications Experience Interest in Shares	Chairperson and Treasurer Bachelor of Business (Accounting) Retired finance executive Nil
Richard Benwell Qualifications Experience Interest in Shares	Nil Retired company director Nil
Tim High Qualifications Experience Interest in Shares	Appointed 28 January 2025 BSc Zoology, MSC Dist Dairy Science Retired banking executive Nil
Annette Hughes Qualifications Experience Interest in Shares Special Resp.	Bachelor of Arts (Hons), JD-Juris Doctor Commercial lawyer with extensive experience Nil Marketing Committee
Nick Johnston Qualifications Experience Interest in Shares	Commercial Part 3 Divers Certificate Tourism Operator Nil
Alison Wallace Qualifications Experience Interest in Shares Special Resp.	Nil Tourism and hospitality Nil Marketing Committee
Liz Swain AM Qualifications Experience Interest in Shares Special Resp.	FAICD, MBA, Diplomas in Metallurgy and Chemistry RIO Tinto Management and extensive diverse Board membership Nil Marketing Committee Chair

Rob Johns Qualifications Experience Interest in Shares	Appointed 26 May 2025 M.A.I.C.D Bachelor of Arts Former Partner Goldman Sachs JBWere Nil
Alcuin Hacker Qualifications Experience Interest in Shares	Appointed 28 January 2025 Nil Fundraising and Marketing Consultant Nil

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended	Leave of absence
John Fletcher	11	11	-
Richard Benwell	11	11	-
Tim High	5	5	
Annette Hughes	11	10	-
Nick Johnston	11	6	-
Alison Wallace	11	8	-
Liz Swain	11	10	-
Rob Johns	1	1	
Alcuin Hacker	5	2	

Company Secretary

Georgie de Candia held office as Company Secretary for the duration of the financial year.

Director's Report continued

For the Year Ended 30 June 2025

Principal activities

The principal activity of Freycinet Coast Financial Services Ltd during the financial year was providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating results

The profit of the Company after providing for income tax amounted to \$ 4,050 (2024: profit of \$ 91,666).

Dividends paid or recommended

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

- No dividend has been declared in respect of the financial year 30 June 2025 at the date of this report.
- A final dividend of 5 cents per share fully franked was paid in December 2024 in respect of the year ended 30 June 2024.

Review of operations

A review of the operations of the Company during the financial year and the results of those operations is contained within the accompanying chair's and manager's reports.

Significant changes in state of affairs

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

Events after the reporting date

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

Future developments and results

Bendigo and Adelaide Bank Limited and the Community Bank network are commencing a review of Community Bank model in the next financial year. The impact of this review will not be known until it is completed. The company intends to continue providing banking services to the community.

Environmental issues

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

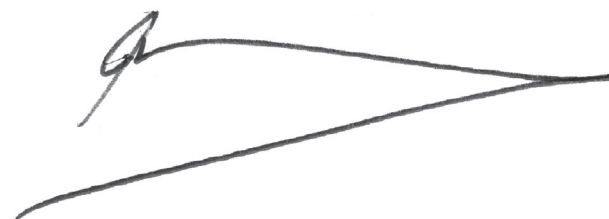
Indemnification and insurance of officers and auditors

The Company has agreed to indemnify each Officer (Director, Secretary or employee) 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 occurred by the 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.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2025 has been received and can be found on page 9 of the financial report.

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



Director:

John Fletcher

26 August 2025

Auditor's Independence Declaration



Auditor's Independence Declaration

To the Directors of Freycinet Coast Financial Services Ltd

I declare that, to the best of my knowledge and belief, there have been:

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

in relation to our audit for the year ended 30 June 2025.

A stylized, handwritten-style signature of the word "Synectic" in black ink.

Synectic Audit & Assurance Pty Ltd

A handwritten signature in black ink that reads "Benjamin Coull".

Benjamin Coull
Director

Date: 26/08/2025

**Think
outside
the
numbers**

Synectic Audit & Assurance Pty Ltd

Authorised Audit Company 385720
ABN 30 146 220 215

Liability limited by a scheme approved under
Professional Standards Legislation

Devonport · Launceston · Hobart

Phone 03 6424 1451
Email info@synecticgroup.com.au
Postal P.O. Box 6003, Devonport TAS 7310
synecticgroup.com.au

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2025

		2025	2024
Revenue	Note	\$	\$
Commissions		779,653	856,134
Fees		58,723	60,511
Interest		30,256	26,004
Gain on disposal of asset		-	5,174
		868,632	947,823
Expenses			
Employee benefits		481,691	434,567
Information technology and communications		36,184	33,874
ATM and other branch operating expenses		32,189	33,394
Occupancy costs		32,827	32,967
Administrative expenses		66,404	60,640
Depreciation and amortisation		83,740	77,903
Finance costs		5,215	8,887
Operating profit		130,382	268,591
Community Enterprise Foundation contribution	3	-	125,000
Other donations and sponsorship		124,982	19,600
Profit before income tax		5,400	123,991
Income tax expense	4	(1,350)	(32,325)
Profit for the year		4,050	91,666
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		4,050	91,666

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	693,864	763,308
Trade and other receivables		90,068	108,800
Current tax receivables		25,495	
TOTAL CURRENT ASSETS		809,427	872,108
NON-CURRENT ASSETS			
Property, plant and equipment	7	110,339	175,892
Deferred tax assets	5	5,518	4,998
Intangible assets	8	35,277	48,777
TOTAL NON-CURRENT ASSETS		151,134	229,667
TOTAL ASSETS		960,561	1,101,775
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	39,417	35,120
Current tax liabilities	5	-	25,920
Employee benefits	11	17,704	17,384
Financial liabilities	10	55,033	75,349
TOTAL CURRENT LIABILITIES		112,154	153,773
NON-CURRENT LIABILITIES			
Employee benefits	11	18,077	15,075
Financial liabilities	10	14,849	62,916
TOTAL NON-CURRENT LIABILITIES		32,926	77,991
TOTAL LIABILITIES		145,080	231,764
NET ASSETS		815,481	870,011
EQUITY			
Issued capital	12	1,153,788	1,153,788
Retained earnings		(338,307)	(283,777)
TOTAL EQUITY		815,481	870,011

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2025

	Note	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024		1,153,788	(283,777)	870,011
Net profit for the year		-	4,050	4,050
Dividends Paid		-	(58,581)	(58,581)
Balance at 30 June 2025		1,153,788	(338,308)	815,480
Balance at 1 July 2023		1,153,788	(281,713)	872,075
Net profit/(loss) for the year		-	91,666	91,666
Dividends Paid		-	(93,730)	(93,730)
Balance at 30 June 2025		1,153,788	(283,777)	870,011

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		919,565	993,806
Payments to suppliers		(198,943)	(209,019)
Interest received		30,256	26,004
Payments to employees		(472,468)	(432,321)
Finance costs		(5,215)	(8,887)
Income taxes paid		(53,285)	(27,896)
GST recovered/(paid)		(47,568)	(66,639)
Net cash provided by/(used in) operating activities	15	172,342	275,048
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1)	(51,622)
Net cash provided by/(used in) investing activities		(1)	(51,622)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liability		(58,222)	(51,613)
Community donations and sponsorship		(124,982)	(144,600)
Dividends paid		(58,581)	(93,730)
Net cash provided by/(used in) financing activities		(241,785)	(289,943)
Net increase/(decrease) in cash and cash equivalents held		(69,444)	(66,517)
Cash and cash equivalents at beginning of year		763,308	829,825
Cash and cash equivalents at end of financial year	6	693,864	763,308

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2025

The financial report covers Freycinet Coast Financial Services Ltd as an individual entity. Freycinet Coast Financial Services Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

1 Basis of Preparation

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

The financial statements 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 policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Economic dependence

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Bicheno and Swansea.

The branches operate 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.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branches 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 branches;
- 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) Revenue and other income

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

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction. All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

Interest

Interest income is recognised on an accrual basis using the effective interest rate method.

Rendering of services

As detailed in the franchise agreement, companies earn three types of revenue - margin, commission and fee income. Bendigo and Adelaide Bank Limited decide the method of calculation of revenue the Company earns on different types of products and services and this is dependent on the type of business the Company generates also taking into account other factors including economic conditions, including interest rates.

Core Banking Products

Bendigo and Adelaide Bank Limited identify specific products and services as 'core banking products', however it also reserves the right to change the products and services identified as 'core banking products', providing 30 days notice is given.

Margin

Margin is earned on all core banking products. A Funds Transfer Pricing (FTP) model is used for the method of calculation of the cost of funds, deposit return and margin. Margin is determined by taking the interest paid by customers on loans less interest paid to customers on deposits, plus any deposit returns, i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit, minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Commission

Commission is a fee earned on products and services sold. Depending on the product or services, it may be paid on the initial sale or on an ongoing basis.

Fee Income

Fee income is a share of 'bank fees and charges' charged to customers by Bendigo and Adelaide Bank Limited, including fees for loan applications and account transactions.

Form and Amount of Financial Return

The franchise agreement stipulates that Bendigo and Adelaide Bank Limited may change the form, method of calculation or amount of financial return the Company receives. The reasons behind making a change may include, but not limited to, changes in Bendigo and Adelaide Bank Limited's revenue streams/processes; economic factors or industry changes. Bendigo and Adelaide Bank Limited may make any of the following changes to form, method of calculation or amount of financial returns:

- a change to the products and services identified as 'core banking products and services'
- a change as to whether it pays the Company margin, commission or fee income on any product or service.
- a change to the method of calculation of costs of funds, deposit return and margin and a change to the amount of any margin, commission and fee income.

These abovementioned changes, may impact the revenue received by the Company on a particular product or service, or a range of products and services.

However, if Bendigo and Adelaide Bank Limited make any of the above changes, per the franchise agreement, it must comply with the following constraints in doing so.

- a) If margin or commission is paid on a core banking product or service, Bendigo and Adelaide Bank Limited cannot change it to fee income;
- b) In changing a margin to a commission or a commission to a margin on a core banking product or service, OR changing the method of calculation of a cost of funds, deposit return or margin or amount of margin or commission on a core product or service, Bendigo and Adelaide Bank Limited must not reduce the Company's share of Bendigo and Adelaide Bank Limited's margin on core banking product and services when aggregated to less than 50% of Bendigo and Adelaide Bank Limited's margin on core banking products attributed to the Company's retail branch operation; and

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

- c) Bendigo and Adelaide Bank Limited must publish the change at least 30 days before making the change.

(c) Income Tax

The 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 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.

(d) Property, plant and equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

(e) 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 (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - FVOCI

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis. 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.

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

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, bank and other loans and lease liabilities.

(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.

(g) Leases

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.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Community Enterprise Foundation

	2025 \$	2024 \$
Community Enterprise Foundation contribution	-	125,000

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). The funds contributed to and held by the Community Enterprise Foundation (CEF) are available for distribution as grants to eligible applicants for a specific purpose in consultation with directors. When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

4 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2025 \$	2024 \$
Current tax expense		
Current income tax expense	1,870	25,920
Origination and reversal of temporary differences	(520)	5,078
Under/(over) provision in respect of prior years	-	1,327
	1,350	32,325

(b) Reconciliation of income tax to accounting profit: Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024:25%)	1,350	30,998
- under provision for income tax in prior year	-	1,327
Income tax expense	1,350	32,325

5 Tax assets and liabilities

Current Tax Asset

Refundable instalments paid	25,485	-
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Current Tax Liability

Income tax payable	-	25,920
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Deferred tax asset

Employee provisions	8,945	8,115
Accrued expenses	1,125	2,413
Lease liability/RoU asset	(2)	509
Accrued income	(4,551)	(6,038)
Total	5,517	4,999

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

6 Cash and Cash Equivalents		
	2025 \$	2024 \$
Cash at bank and in hand	32,869	94,441
Short-term deposits	660,995	668,867
	693,864	763,308

7 Property, plant and equipment		
Buildings		
Right of use leased assets	40,190	91,684
PLANT AND EQUIPMENT		
Plant and equipment At cost	250,355	250,354
Accumulated depreciation	(211,776)	(205,608)
Total plant and equipment	38,579	44,746
Motor vehicles At cost	46,426	46,426
Accumulated depreciation	(14,856)	(6,964)
Total motor vehicles	31,570	39,462
Total plant and equipment	70,149	84,208
	110,339	175,892

Movements in carrying amounts of property, plant and equipment

	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2025				
Balance at the beginning of year	91,685	44,746	39,462	175,893
Remeasurement of lease liability	4,684	-	-	4,684
Additions	-	-	-	-
Depreciation expense	(56,179)	(6,167)	(7,892)	(70,238)
Balance at the end of the year	40,190	38,579	31,570	110,339
Year ended 30 June 2024				
Balance at the beginning of year	145,047	22,836	15,616	183,499
Additions	-	24,699	46,426	71,125
Disposals	-	-	(14,329)	(14,329)
Depreciation expense	(53,362)	(2,778)	(8,263)	(64,403)
Balance at the end of the year	91,685	44,757	39,450	175,892

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

	2025 \$	2024 \$
8 Intangible Assets		
Licenses and franchises		
Cost	201,641	201,641
Accumulated amortisation and impairment	(166,364)	(152,864)
	35,277	48,777
9 Trade and Other Payables		
CURRENT		
Trade payables	9,780	6,674
GST payable	11,907	11,466
Employee benefits	11,334	5,434
Sundry payables and accrued expenses	4,500	9,650
Dividends payable	1,896	1,896
	39,417	35,120
10 Financial Liabilities		
CURRENT		
Franchise fee payable	14,849	14,849
Lease liabilities	40,184	60,500
	55,033	75,349
NON-CURRENT		
Franchise fee payable	14,849	29,697
Lease liabilities	-	33,219
	14,849	62,916
11 Employee Benefits		
CURRENT LIABILITIES		
Annual leave	17,704	17,384
NON-CURRENT LIABILITIES		
Long service leave	18,077	15,075
	2025 \$	2024 \$
12 Issued Capital		
1,171,615 (2024: 1,171,615) Ordinary shares	1,153,788	1,153,788

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

12 Issued Capital continued

Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

13 Dividends

The following dividends were declared and paid:

Ordinary dividend of 5.0 (2024: 0.8) cents per share to be paid on 07 December 2024	58,581	93,730
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Proposed dividends

No dividend has been proposed for 2025.

Franking account

The franking credits available for subsequent financial years at a tax rate of 25%	8,369	53,816
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The above balance is based on the dividend franking account at year-end adjusted for:

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

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

14 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Freycinet Coast Financial Services Ltd's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Freycinet Coast Financial Services Ltd's activities.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company has negligible exposure to market risk.

Notes to the Financial Statements continued

For the Year Ended 30 June 2025

15 Cash Flow Information

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

	2025 \$	2024 \$
Profit for the year	4,050	91,666
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	70,240	64,403
Amortisation	13,502	13,500
Gain on disposal of asset	-	(5,174)
Community donations and sponsorship	124,982	144,600
Changes in assets and liabilities:		
Trade and other receivables	18,733	(3,124)
Trade and other payables	4,296	(27,846)
Employee entitlements	3,322	7,442
Franchise fee payable	(14,848)	(14,848)
Tax assets and liabilities	(51,935)	4,429
Cashflows from operations	172,342	275,048

16 Key Management Personnel Remuneration

The directors of Freycinet Coast Financial Services Ltd act in a wholly voluntary capacity and receive no remuneration.

17 Auditors' Remuneration

	2025 \$	2024 \$
Remuneration of the auditor for: – auditing or reviewing the financial statements	6,595	6,107

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024: None).

19 Events Occurring After the Reporting Date

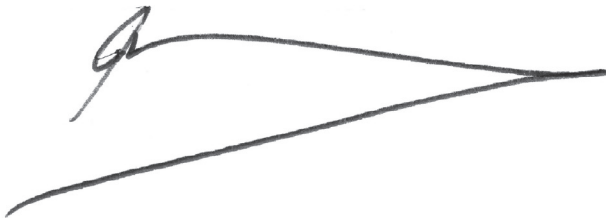
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Director's Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position and performance of the Company;
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.

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

A handwritten signature in dark ink, appearing to be 'John Fletcher', written over a horizontal line.

Director:

John Fletcher

26 August 2025

Independent Auditor's Report



Report on the Audit of the Financial Report

We have audited the financial report, being a special purpose financial report of Freycinet Coast Financial Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2025, 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, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

Opinion

In our opinion the accompanying financial report of Freycinet Coast Financial Services Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

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 opinion.

**Think
outside
the
numbers**

Synectic Audit & Assurance Pty Ltd

Authorised Audit Company 385720
ABN 30 146 220 215

Liability limited by a scheme approved under
Professional Standards Legislation

Devonport · Launceston · Hobart

Phone 03 6424 1451
Email info@synecticgroup.com.au
Postal P.O. Box 6003, Devonport TAS 7310
synecticgroup.com.au



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 gives a true and fair view and 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 to 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report



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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A stylized, handwritten signature of the word "Synectic" in black ink.

Synectic Audit & Assurance Pty Ltd

A handwritten signature of Benjamin Coull in black ink.

Benjamin Coull
Director

Date: 26/08/2025

Community Bank · Swansea
Shop 1/1 Victoria Street,
Swansea TAS 7190
Phone: 03 6257 8825 Fax: 03 6257 8994
Email: SwanseaMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/Swansea

Community Bank · Bicheno
Shop 1/64 Burgess Street,
Bicheno TAS 7215
Phone: 03 6375 1772
Email: BichenoMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/Bicheno

Franchisee: Freycinet Coast Financial Services Limited
ABN: 32 127 068 222
PO Box 125
Bicheno TAS 7215
Email: secretary@freycinetcfs.com.au

Share Registry:
RSD Registry
PO Box 30, Bendigo VIC 3552
Phone: 5445 4222
Fax: 5444 4344
Email: shares@rsdregistry.com.au

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