Annual Report 2025

Galston Financial Services Limited

Community Bank
Galston & District

ABN 23 097 581 854

ACi

BURGERS
GLENORIE PIZZERIA

Contents

Chairman's report	2
Manager's report	3
Bendigo and Adelaide Bank report	5
Community Bank National Council report	6
Directors' report	7
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	16
Directors' declaration	34
Independent audit report	35

Chairman's report

For year ending 30 June 2025

It's hard to believe that it is about 25 years since the bank prior to our community bank put the sign on the front window saying

"WE ARE RELOCATING FOR YOUR CONVENIENCE"

That bank obviously could not gain the confidence of our community in the same way that Community Bank Galston & District has.

What gives me great pleasure is the way we are continually opening accounts, receiving deposits and writing loans and other services which is a great benefit to our community.

To date we have given just under 4 million dollars back to our community, schools, clubs and sporting clubs.

It gives our Board immense satisfaction to see the results which we are gaining and thus the depths we are able to support our community.

As a result of continued success we will be giving a dividend of $0.17 cents per share fully franked. We continue to deliver service at the highest level and achieve profitability far in excess of expectations, and in appreciation of contributions by shareholders, an exceptional dividend has been awarded.

Of course the successful and continued operation of Community Bank Galston & District is reliant on those who have the responsibility of running it. Thanks to all of our staff for the continued sterling efforts which is noted by our customers and Board.

The Board is also due congratulations for the immaculate way in which our bank has been guided to operate in a theatre where we have continually risen from profit to profit.

In conclusion it is a big thanks to our shareholders, customers and community for the support of our bank, without you we would not have a bank.

Ralph Steele
Chairman
Galston Financial Services

Manager's report

For year ending 30 June 2025

It's that time of the year again! On behalf of the employees of Community Bank Galston & District, I am privileged to present the branch's fifth consecutive written report to its valued shareholders.

Before I proceed, as we look back on the year gone by, I on behalf of my team would first like to record, appreciate and acknowledge the continued and timely support by the key stakeholders: The Board and our loyal community clients.

This helped our staff members to put in their very best and make the best of the opportunities that the market presented.

As you all know, we will enter the 24th year of operations. The Geo-political climate has been in a state of flux and, we in Australia are not isolated from its effects. Even so, it is indeed a moment of pride that the team has been able to largely shrug off these dampening effects and I can proudly on their behalf report very encouraging results.

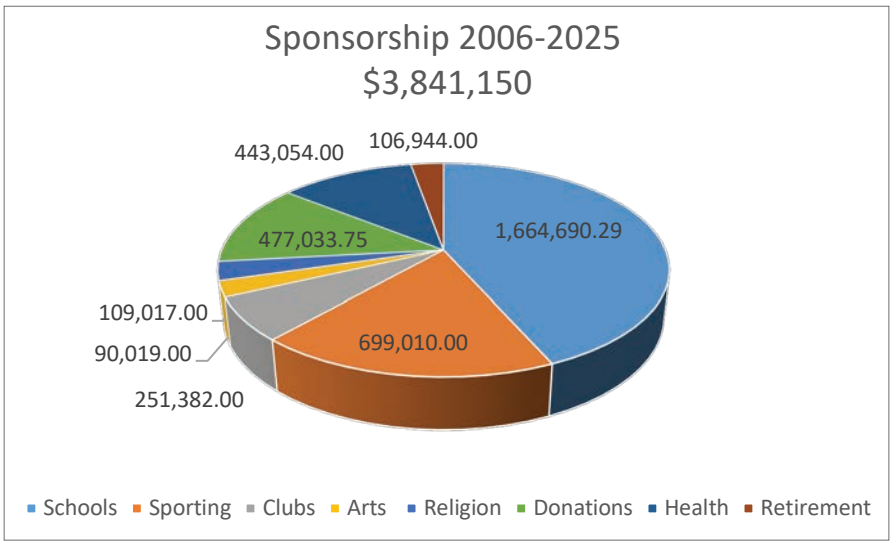
Similarly, this year too had its unique dynamics which included high interest rates, inflationary trends and touch monitory policies. Despite these our business recorded growth in Lending, Deposits, Business banking, Insurance and amp; Equipment finance, and this has had a very positive impact on gross margins. Simply translated, our returns to shareholders and to our community in 2024-25 continue to be positive. Again, I reiterate that it is been a team effort; responding to the prompt support and proactive strategies of the Board, the creative and positive energies of our staff showed maturity to handle the challenges that confronted them in an aggressive and fluid market. Well done and thank you!

Highlights for the Financial year 2024-25 are as follows:

- Number of accounts: 8,137 increase of 464 new accounts, Net growth of 6%
- Total deposits: $240 million, decrease of $5 million, decrease of 2.04%
- Total Loans: $99.2 million, increase of $16.9 million, Net growth of 20.53%
- Total business: $339.6 million, increase of $12.3 million, Net growth of 3.75%
- Net profit before tax, Sponsorships & Donations: $1,365,896
- Dividends returned to shareholders: 17cents for every share fully franked.
- Sponsorships, Donations and Community grants paid: totally $426,771.

Sponsorships:

The bank's contribution toward Sponsorships, Donations & Community Grants till date has exceeded $3.8Mn. Our investments will continue to support such endeavours that reinforce our strong belief in building grassroots community connect.



Positive Outlook:

Back by this performance we are motivated to look ahead with a positive mindset. We promise that our approach to 2025-26 with be with fresh eyes and renewed Vigor. Going forward, I estimate that the growth outlook would be steadily positive which will reflect in a steady improvement during the next financial year too. While we retain the four identified pillars of opportunity, we expect that our strategies and executional framework will be suitably tailored to meet the current market conditions:

1) Focus on Home loans
2) Focus on Small and Commercial Business
3) Expand our community brand into newer geographies & communities
4) Build Community Engagement: Increase value-based awareness, deepen engagement with relevant community groups through events and sponsorships.

We will continue to serve Galston's customers and surrounding communities with superior quality of solutions and services while engaging with meaningful community connect and provide returns for local shareholders.

Savio Pereira
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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 $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.

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025

A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits.

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1,500+ volunteer Directors, 1,700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and Directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formallly certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over $416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

Directors' report

30 June 2025

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2025.

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

Name:	Ralph Henry Steele
Title:	Non-executive director
Experience and expertise:	Director of Location Sound and Berrilee Boarding Kennels. Member of original steering committee and original Chairman of Galston Financial Services Limited.
Special responsibilities:	Chair
Name:	Diana Mary Paton
Title:	Non-executive director
Experience and expertise:	Director Adelphi Printing Pty Ltd - current. Head of European Settlements, JP Morgan Sydney. Manager, Money Market Settlements, JP Morgan Sydney. President Galston High School P&C. President Dural & Round Corner Chamber of Commerce. Original Member of the Steering Committee of Galston Financial Services.
Special responsibilities:	Marketing Committee
Name:	Jacqualine Lucile Pakinga
Title:	Non-executive director
Experience and expertise:	Director and Co-Founder of Core Body Business Pty Ltd. HR professional with over 15 years corporate experience. Post Grad Dip Human Resources, Certified Practitioner and Certified Professional of the Australian Human Research Institute (AHRI).
Special responsibilities:	Nil
Name:	Dennis Arthur Phillips
Title:	Non-executive director
Experience and expertise:	Director of DA & PK Phillips Stock Feed Merchant. Member of original steering committee of Galston Financial Services Limited.
Special responsibilities:	Sponsorships / Donations Committee
Name:	Darren Pietro Bonaccordo
Title:	Non-executive director
Experience and expertise:	Military Service RAF - Commissioned Officer - 21 years. Director of Building Services Company. Project Manager for Livestock Company. Partner/Manager Elude Escape Room.
Special responsibilities:	Nil
Name:	Callum Hoogesteger
Title:	Non-executive director
Experience and expertise:	Callum holds a BSc in Computing Science and is an IT industry veteran of 25+ years with broad experience across all aspects of solution and software design, delivery and maintenance. Callum is involved in Glenorie Mission Church and several community not-for-profit organisations.
Special responsibilities:	Marketing Committee, HR Committee
Name:	Alexander Torville
Title:	Non-executive director
Experience and expertise:	Alexander is Project Manager, Property Development. His qualifications include: BCom, Majoring in Accounting and International Business (complete MQ), Graduate Certificate Property Development (complete UTS), Certificate IV in Finance and Brokering (complete) and Master of Property Development & Real Estate Investment (undertaking UTS). Alex is a passionate and dedicated Real Estate Development professional with a demonstrated history of working across the whole-of-lifecycle of property. Alex currently works for a boutique diversified property and advisory group.
Special responsibilities:	Nil

Name:	John Stephen Dakin
Title:	Non-executive director (resigned 5 May 2025)
Experience and expertise:	John holds a Bachelor of Business (Accounting) from UTS and is a graduate of the Senior Executive Course Massachusetts Institute of Technology. Until 31 December 2022 when he retired as the Chief Operating Officer of Westmead Institute for Medical Research with responsibilities for management of the accounting, HR, ITC, fundraising, commercialisation, scientific equipment and facility management. John has previously held senior executive roles in Health Insurance, Merchant Banking, Venture Capital and Construction.
Special responsibilities:	Treasurer

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

- Diana Paton was appointed interim company secretary on 5 Mary 2025.
- John Stephen Dakin was appointed company secretary on 28 March 2022 and ceased on 5 May 2025.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $742,623 (30 June 2024: $944,617).

Operations have continued to perform in line with expectations.

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

	2025 $	2024 $
Fully franked dividend of 17 cents per share (2024: 17 cents)	138,856	138,856

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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

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

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

	Board	
	Eligible	Attended
Ralph Henry Steele	11	10
Diana Mary Paton	11	7
Jacqualine Lucile Pakinga	11	6
Dennis Arthur Phillips	11	9
Darren Pietro Bonaccordo	11	10
Callum Hoogesteger	11	11
Alexander Torville	11	11
John Stephen Dakin	8	7

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Ralph Henry Steele	10,000	-	10,000
Diana Mary Paton	500	-	500
Jacqualine Lucile Pakinga	-	-	-
Dennis Arthur Phillips	8,233	6,000	14,233
Darren Pietro Bonaccordo	16,400	5,000	21,400
Callum Hoogesteger	6,500	-	6,500
Alexander Torville	-	-	-
John Stephen Dakin	2,000	-	2,000

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

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

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

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

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

On behalf of the directors

Ralph Henry Steele
Chair

25 August 2025

Auditor's independence declaration

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

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

As lead auditor for the audit of Galston Financial Services Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 August 2025

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Galston Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue from contracts with customers	6	2,248,831	2,220,752
Other revenue	7	107,053	74,170
Finance revenue		96,604	116,177
Fair value gains on financial assets	8	13,623	80,314
Total revenue		2,466,111	2,491,413
Employee benefits expense	9	(831,043)	(801,283)
Occupancy and associated costs		(42,849)	(32,903)
System costs		(23,682)	(19,179)
Depreciation and amortisation expense	9	(64,182)	(38,608)
Finance costs		(14,577)	-
General administration expenses		(123,882)	(123,470)
Total expenses before community contributions and income tax expense		(1,100,215)	(1,015,443)
Profit before community contributions and income tax expense		1,365,896	1,475,970
Charitable donations and sponsorships expense	9	(375,226)	(220,338)
Profit before income tax expense		990,670	1,255,632
Income tax expense	10	(248,047)	(311,015)
Profit after income tax expense for the year		742,623	944,617
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		742,623	944,617
		Cents	**Cents**
Basic earnings per share	27	90.92	115.65
Diluted earnings per share	27	90.92	115.65

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

Galston Financial Services Limited
Statement of financial position
As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	11	223,700	306,036
Trade and other receivables	12	238,836	244,252
Investments	13	3,355,850	3,258,538
Current tax assets	10	2,649	-
Total current assets		3,821,035	3,808,826
Non-current assets			
Financial assets	15	918,913	905,290
Property, plant and equipment	14	1,765,057	1,722,292
Intangible assets	16	21,764	34,822
Total non-current assets		2,705,734	2,662,404
Total assets		6,526,769	6,471,230
Liabilities			
Current liabilities			
Trade and other payables	17	113,228	118,997
Current tax liabilities	10	-	544,725
Employee benefits		37,938	35,350
Total current liabilities		151,166	699,072
Non-current liabilities			
Deferred tax liabilities	10	274,586	280,414
Employee benefits		8,325	2,819
Total non-current liabilities		282,911	283,233
Total liabilities		434,077	982,305
Net assets		6,092,692	5,488,925
Equity			
Issued capital	18	816,800	816,800
Reserves		815,409	815,409
Retained earnings		4,460,483	3,856,716
Total equity		6,092,692	5,488,925

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

Galston Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital $	Revaluation reserve	Retained earnings $	Total equity $
Balance at 1 July 2023		816,800	815,409	3,050,955	4,683,164
Profit after income tax expense		-	-	944,617	944,617
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	944,617	944,617
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	20	-	-	(138,856)	(138,856)
Balance at 30 June 2024		816,800	815,409	3,856,716	5,488,925
Balance at 1 July 2024		816,800	815,409	3,856,716	5,488,925
Profit after income tax expense		-	-	742,623	742,623
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	742,623	742,623
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	20	-	-	(138,856)	(138,856)
Balance at 30 June 2025		816,800	815,409	4,460,483	6,092,692

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

Galston Financial Services Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,481,624	2,485,354
Payments to suppliers and employees (inclusive of GST)		(1,620,941)	(1,467,606)
Dividends received		106,592	74,615
Interest received		96,272	86,697
Interest and other finance costs paid		(14,577)	-
Income taxes paid		(801,249)	(63,510)
Net cash provided by operating activities	26	247,721	1,115,550
Cash flows from investing activities			
Investment in term deposits		(97,312)	(898,289)
Payments for property, plant and equipment		(93,889)	(15,900)
Payments for intangible assets		-	(65,291)
Net cash used in investing activities		(191,201)	(979,480)
Cash flows from financing activities			
Dividends paid	20	(138,856)	(138,856)
Net cash used in financing activities		(138,856)	(138,856)
Net decrease in cash and cash equivalents		(82,336)	(2,786)
Cash and cash equivalents at the beginning of the financial year		306,036	308,822
Cash and cash equivalents at the end of the financial year	11	223,700	306,036

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 348 Galston Road, Galston NSW 2159.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

Accounting standards issued but not yet effective
Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2025. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Financial assets have been designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

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

Note 3. Material accounting policy information (continued)

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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

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

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

Estimates and assumptions

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

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in March 2027.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2025 $	2024 $
Margin income	2,111,668	2,091,697
Fee income	71,350	70,778
Commission income	65,813	58,277
	2,248,831	2,220,752

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

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

Note 7. Other revenue

	2025 $	2024 $
Dividend and distribution income	107,053	74,170

Note 8. Fair value gains on financial assets

	2025 $	2024 $
Fair value gains on financial assets	13,623	80,314

These amounts relate to the increase in the market value of financial assets held by the company.

Note 9. Expenses

Employee benefits expense

	2025 $	2024 $
Wages and salaries	714,574	706,583
Superannuation contributions	79,819	77,999
Expenses related to long service leave	7,789	(26,446)
Other expenses	28,861	43,147
	831,043	801,283

Depreciation and amortisation expense

	2025 $	2024 $
Depreciation of non-current assets		
Buildings	46,290	14,863
Plant and equipment	4,834	4,460
	51,124	19,323
Amortisation of intangible assets		
Franchise fee	13,058	19,285
	64,182	38,608

Charitable donations, sponsorships and grants

	2025 $	2024 $
Direct donation, sponsorship and grant payments	170,681	129,429
Contribution to the Community Enterprise Foundation™	204,545	90,909
	375,226	220,338

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 the directors.

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

Note 10. Income tax

	2025 $	2024 $
Income tax expense		
Current tax	256,342	274,355
Movement in deferred tax	(5,827)	40,394
Under/over adjustment in respect for prior periods	-	(1,144)
Net benefit of franking credits on dividends received	(2,468)	(2,590)
Aggregate income tax expense	248,047	311,015
Prima facie income tax reconciliation		
Profit before income tax expense	990,670	1,255,632
Tax at the statutory tax rate of 25%	247,668	313,908
Tax effect of:		
Non-deductible expenses	2,230	193
Other assessable income	617	648
Net benefit of franking credits on dividends received	(2,468)	(2,590)
	248,047	312,159
Under/over adjustment in respect for prior periods	-	(1,144)
Income tax expense	248,047	311,015

	2025 $	2024 $
Deferred tax liabilities/(assets)		
Property, plant and equipment	278,020	285,428
Financial assets at fair value through profit or loss	(2,128)	(5,533)
Income accruals	10,260	10,061
Employee benefits	(11,566)	(9,542)
Deferred tax liability	274,586	280,414

	2025 $	2024 $
Income tax refund due	2,649	-

	2025 $	2024 $
Provision for income tax	-	544,725

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

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

Note 10. Income tax (continued)

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

Note 11. Cash and cash equivalents

	2025 $	2024 $
Cash at bank and on hand	223,700	306,036

Note 12. Trade and other receivables

	2025 $	2024 $
Trade receivables	192,389	199,473
Accrued income	41,038	40,246
Prepayments	5,409	4,533
	46,447	44,779
	238,836	244,252

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

Note 13. Investments

	2025 $	2024 $
Current assets		
Term deposits	3,355,850	3,258,538

Note 14. Property, plant and equipment

	2025 $	2024 $
Land - at fair value	1,000,000	1,000,000
Buildings - at fair value	1,081,789	993,082
Less: Accumulated depreciation	(345,767)	(299,477)
	736,022	693,605
Plant and equipment - at cost	171,122	165,940
Less: Accumulated depreciation	(142,087)	(137,253)
	29,035	28,687
	1,765,057	1,722,292

Note 14. Property, plant and equipment (continued)

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

	Land $	Buildings $	Plant and equipment $	Total $
Balance at 1 July 2023	1,000,000	692,568	33,147	1,725,715
Additions	-	15,900	-	15,900
Depreciation	-	(14,863)	(4,460)	(19,323)
Balance at 30 June 2024	1,000,000	693,605	28,687	1,722,292
Additions	-	88,707	5,182	93,889
Depreciation	-	(46,290)	(4,834)	(51,124)
Balance at 30 June 2025	1,000,000	736,022	29,035	1,765,057

Fair value
The fair value of land and buildings was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's property portfolio every 3 to 5 years.

The company's 348 Galston Road, Galston property was independently valued effective 30 June 2022 by Rockworth Valuation and Advisory on 27 September 2022.

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

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

Building	40 years
Plant and equipment	2.5 to 40 years

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

Building improvements are depreciated over the estimated useful life of the assets. Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 15. Financial assets

	2025 $	2024 $
Equity securities - designated at fair value through profit or loss	918,913	905,290

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

Opening carrying amount	905,290	824,976
Revaluation increments	13,623	80,314
Closing carrying amount	918,913	905,290

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other financial assets are classified as non-current.

Accounting policy for financial assets
Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Note 16. Intangible assets

	2025 $	2024 $
Franchise fee	121,252	121,252
Less: Accumulated amortisation	(99,488)	(86,430)
	21,764	34,822

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

	Franchise fee $
Balance at 1 July 2023	-
Additions	54,107
Amortisation expense	(19,285)
Balance at 30 June 2024	34,822
Amortisation expense	(13,058)
Balance at 30 June 2025	21,764

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

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

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

Note 16. Intangible assets (continued)

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2027

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

Note 17. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	5,798	12,151
Other payables and accruals	107,430	106,846
	113,228	118,997

	2025 $	2024 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	113,228	118,997
Less GST payable to the ATO, included in trade and other payables	(46,751)	(58,137)
	66,477	60,860

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	816,800	816,800	816,800	816,800

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

Rights attached to issued capital

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

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

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

Note 18. Issued capital (continued)

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

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

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

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

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

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

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

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

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

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

Note 19. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions 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 distribution limit is the greater of:
- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

Note 19. Capital management (continued)

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 for the financial year can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 20. Dividends

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

	2025 $	2024 $
Fully franked dividend of 17 cents per share (2024: 17 cents)	138,856	138,856

Franking credits

	2025 $	2024 $
Franking account balance at the beginning of the financial year	973,249	953,434
Franking credits (debits) arising from income taxes paid (refunded)	801,249	63,510
Franking debits from the payment of franked distributions	(46,285)	(46,285)
Franking credits from franked distributions received	2,467	2,590
	1,730,680	973,249
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	1,730,680	973,249
Franking credits (debits) that will arise from payment (refund) of income tax	(2,469)	544,725
Franking credits available for future reporting periods	1,728,211	1,517,974

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

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

Note 21. Financial risk management

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

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

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

Note 21. Financial risk management (continued)

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

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

	2025 $	2024 $
Financial assets		
Trade and other receivables (note 12)	233,427	239,719
Cash and cash equivalents (note 11)	223,700	306,036
Financial assets (note 15)	918,913	905,290
Term deposits (note 13)	3,355,850	3,258,538
	4,731,890	4,709,583
Financial liabilities		
Trade and other payables (note 17)	66,477	60,860

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

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

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

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

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

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

Note 21. Financial risk management (continued)

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $223,700 and term deposits of $3,355,850 at 30 June 2025 (2024: $306,036 and $3,258,538).

Price risk
The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

Equity Price risk
All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss.

2025	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	91,891	68,918	(10%)	(91,891)	(68,918)

2024	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	90,529	67,897	(10%)	(90,529)	(67,897)

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

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

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	66,477	-	-	66,477
Total non-derivatives	66,477	-	-	66,477

Note 21. Financial risk management (continued)

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	60,860	-	-	60,860
Total non-derivatives	60,860	-	-	60,860

Note 22. Fair value measurement

2025	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land and buildings	-	1,700,000	-	1,700,000
Total assets	-	1,700,000	-	1,700,000

2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land and buildings	-	1,700,000	-	1,700,000
Total assets	-	1,700,000	-	1,700,000

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 23. Key management personnel disclosures

The following persons were directors of Galston Financial Services Limited during the financial year:

Ralph Henry Steele
Diana Mary Paton
Jacqualine Lucile Pakinga
Dennis Arthur Phillips
Darren Pietro Bonaccordo
Callum Hoogesteger
Alexander Torville
John Stephen Dakin

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

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

Note 24. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 23.

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

Note 24. Related party transactions (continued)

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

Transactions with related parties
The following transactions occurred with related parties:

	2025 $	2024 $
Advertising and printing of annual reports using Diana Paton's company. The total benefit received was:	7,068	5,186
The company paid a sponsorship to Castle Hill Country Club Ltd, a director is a related party. The total benefit received was:	-	20,000
The company paid a sponsorship to Galston High School P & C, a director is a related party. The total benefit received was:	30,000	-
The company paid a sponsorship to Kenthurst Football Club, a director is a related party. The total benefit received was:	10,000	-
The company paid a sponsorship to Galston Swim Club, a director is a related party. The total benefit received was:	5,000	-

Note 25. Remuneration of auditors

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

	2025 $	2024 $
Audit services		
Audit or review of the financial statements	7,930	6,650
Other services		
Taxation advice and tax compliance services	950	700
General advisory services	3,040	2,870
	3,990	3,570
	11,920	10,220

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 $	2024 $
Profit after income tax expense for the year	742,623	944,617
Adjustments for:		
Depreciation and amortisation	64,182	38,608
Net fair value (gain)/loss on equity instruments designated at FVTPL	(13,623)	(80,314)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	5,416	14,487
Increase in income tax refund due	(2,649)	-
Decrease in trade and other payables	(5,769)	(8,564)
Increase/(decrease) in provision for income tax	(544,725)	207,111
Increase/(decrease) in deferred tax liabilities	(5,828)	40,394
Increase/(decrease) in employee benefits	8,094	(40,789)
Net cash provided by operating activities	247,721	1,115,550

Note 27. Earnings per share

	2025 $	2024 $
Profit after income tax	742,623	944,617
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	816,800	816,800
Weighted average number of ordinary shares used in calculating diluted earnings per share	816,800	816,800
	Cents	**Cents**
Basic earnings per share	90.92	115.65
Diluted earnings per share	90.92	115.65

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

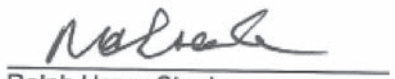
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Ralph Henry Steele
Chair

25 August 2025

Independent audit report

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

Independent auditor's report to the Directors of Galston Financial Services Limited

Report on the audit of the financial report

Our opinion

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

i. giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Galston Financial Services Limited (the company), which comprises the:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including material accounting policies, and the
- Directors' declaration.

Basis for opinion

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Liability limited by a scheme approved under Professional Standards Legislation.

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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 August 2025

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Community Bank
Galston & District
Phone 9653 2227
Mobile 0435 664 109
Bendigo Bank

Community Bank · Galston & District
348 Galston Road,
Galston NSW 2159
Phone: 02 9653 2227
Email: GalstonMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/galston

Franchisee: Galston Financial Services Limited
ABN 23 097 581 854
348 Galston Road,
Galston NSW 2159
Phone: 02 9653 2227
Email: chairman@galstonbendigo.com.au

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 03 5443 0344 Fax: 03 5443 5304
Email: shareregistry@afsbendigo.com.au

/communitybankgalston

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR25114) (10/25)