

Annual Report 2025

Gilgandra Financial Services
Limited

Community Bank
Gilgandra

ABN 27 120 289 741

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CHAIRMAN'S REPORT

For Year Ending 30 June 2025

As we close the books on the 2024–2025 financial year, I am proud to present this report reflecting another year of growth, resilience, and community impact for Community Bank Gilgandra.

Despite ongoing economic pressures across regional Australia — including rising cost-of-living challenges, tighter lending conditions, and recovery from adverse weather events — our Community Bank continues to demonstrate strength in both financial performance and community engagement.

Financial Performance

This year, we achieved a strong after-tax profit of \$170,293. Our total business footings (deposits and lending) remained steady at \$131 million, which is a testament to the trust our customers place in us and the consistent service delivered by our dedicated branch team.

Franked dividends of 10 cents per share were paid to shareholders during the year, in line with our long-term commitment to sustainable returns and community reinvestment.

We also maintained a strong balance sheet, with prudent management of operational expenses and a continued focus on responsible lending.

Community Contributions

At the heart of our model is a commitment to giving back. This year, I'm proud to report that we returned over \$56,000 to the local community through grants, sponsorships and strategic partnerships.

These funds supported a wide range of projects, from sporting teams and local schools to community and care initiatives. Our impact is not just measured in dollars, but in the stories, connections, and resilience we help build across the region.

Our major contribution this year was the “purchase” of a room at Macquarie Homestay in Dubbo which will be of benefit to the wider central west community, providing an affordable accommodation option in times of ill health or when attending at medical appointments.

Other contributions included:

- major sponsorship of Gather in Gil, an International Women's Day event held at Curban
- sponsorship of a Local Government golf day in Oberon
- sponsorship of a new resident event in Orange; and
- provision of a recliner chair and television for Dubbo Base Hospital maternity section

Over the life of our branch, we've now returned more than \$560,000 to our community — a remarkable achievement that sets our model apart from traditional banking.

Cowra Agency

On a sad note, Bendigo Bank announced the closure of all agencies, thus terminating our agency in Cowra with Steel Walsh & Murphy. This decision wasn't taken lightly and considerations included

the increasing cost of regulatory compliance, the outdated IT systems and the low volume of transactions. The partners of Steel Walsh & Murphy, although as disappointed as we were, have indicated they will continue to maintain a positive relationship with our lenders.

People and Culture

Our staff continue to be the backbone of our success. I want to extend my gratitude to our Mobile lender, Abby Williams, Branch Operations Manager, Morgan, and her team of Sally, Kirsty, Tamara and Sophie for their dedication to delivering excellent service while upholding the values that make community banking so unique.

I also thank our Board of Directors - all volunteers - for their leadership, governance, and passion for our mission. This year, we have five Directors up for re-election.

Lucy Babbage, Tracey Stevenson, Gary Barraclough and myself, all of whom have put themselves forward for nomination.

Long term Director, Brian Mockler, whose contributions have been invaluable has decided to step down.

We also have three new nominations from Ericka Navarro, Mae (Abhie) Qurioz and Gillian Foran to serve as Directors.

Marketing

The team have been active on social media and have been seeking new marketing avenues including the Nyngan Ag Expo.

Our promotional video at the Dubbo Cinema will also have another run shortly so please get to the Cinema early so you can cheer on the team.

In this financial year we are looking at holding more educational sessions to assist with online banking and hosting a welcome function for new residents to town early in the new year.

Looking Ahead

The year ahead presents both challenges and opportunities. While broader economic uncertainty may persist, our focus remains clear: to grow our banking business, deepen our community partnerships, and remain a reliable, local alternative to the big banks.


It is disappointing to note that despite being the sole remaining bank in town, less than half of the community actually bank with us therefore a focus of the year ahead will be to pursue business development opportunities.

As part of the Bendigo Bank group, new digital tools and community investment strategies are being considered to ensure we remain relevant, accessible, and impactful for generations to come.

In Closing

Thank you to our shareholders, staff, customers, and community partners for your continued support. Together, we are proving that banking with purpose can deliver real and lasting value — not just to bottom lines, but to the lives and livelihoods of rural Australians.

Let's continue to build something great here in Gilgandra.

A handwritten signature in black ink, appearing to read "Julie Prout". The signature is fluid and cursive, with a large initial 'J' and a stylized 'P'.

Julie Prout
Chair

BRANCH OPERATION MANAGER'S REPORT

For Year Ending 30 June 2025

The year 2024/2025 has been a great learning experience for Community Bank Gilgandra & District. We have seen stability and growth of staff in their roles which has shown dedication to the community. This year we have ventured into creative thinking/advertising for our branch. We launched our Reading Cinema advertisement which ran for 6 months and will launch again in December 2025 for the Christmas/Easter period.

We attended our first Expo at the Nyngan Agriculture show. This proved to be a great venture for our team as we were able to on board new deals and present ourselves to the Nyngan community. We received a lot of positive feedback from the community members at the expo- saying how wonderful it was to have us there and want to see us back. In the coming years we want to attend more of these to increase our brand awareness.

We have held strong to our relationship with the Dubbo based Bendigo Agri team. We continue to work closely together to ensure quality customer service and share opportunities. With the Rural Bank Merger in March this year, we have formed a strong alignment with the Agri team to ensure strong connections for referrals to our branch and positive mutual customer outcomes. We are doing this by way of digital marketing on our social media as well as in branch conversations. This has also allowed us to collaborate with them at their new permanent office in Dubbo when we need to.

2025 saw the launch of our new Social Media platform- Instagram page. With more people moving to being exclusively online we wanted to show our place in the community with a personal and professional touch. We have used our social media to share our sponsorships, donations, weekly activities and a personal connection with our customers. This has proven to be successful- receiving upwards of 8k views within a 30-day period. A highlight of this year has been our Gold Sponsorship of Gather In Gil for International Women's Day. This was a great opportunity to meet new people and tell our story as well as branch out into the rural area.

Abby Williams, our Mobile Relationship Manager continues to broaden her reach by branching out in the Lithgow and Mudgee areas. This has kept her busy with her business development as well as returning customers who have referred their friends and family. Sally Stevenson, Customer Relationship Manager has established some great connections with returning customers and has set her focus this year on Business Development as she hopes to increase her presence in the Orange, Parkes and Dubbo Regions. With this in mind, we should see significant growth in our branch over the next 12 months.

Kirsty Foster, Customer Relationship Officer has continued to wow us with her level of dedication to her role. Not only has she shown significant growth this year in her knowledge and capability but also in her commitment to finding opportunities for personal lending. Kirt has set her focus on business development, utilising social media in creative effectiveness. Sophie Rogers has stepped up in her role of Customer Service Officer by taking initiative in product knowledge. She has taken the opportunity to focus on the post settlement side of home lending. This means she is contacting established customers to discuss their current situation and helping them in any way she can. This is

a great initiative as not only does it provide her with product knowledge, but it also allows her to establish customer connections and help her move towards her career progression journey.

Tamara Harland – Customer Service Officer has continued to amaze us as our wealth champion. Her knowledge in this area is above expectation. In the last 12 months, Tamara has shown significant growth in her confidence and product knowledge. This year has also seen her reach a personal milestone of turning 21. Happy Birthday Tamara.

We are excited to see what this new financial year has to offer in terms of results and achievements for our branch and team. We would like to thank our board for their continued support.



MORGAN ADAMS

BRANCH OPERATIONS MANAGER

Community Bank Report 2025

BEN Message

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.

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank Network: Embracing Our Guiding Principles

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, 1500+ volunteer directors, 1700 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 formerly 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

Gilgandra Financial Services Limited

ABN 27 120 289 741

Financial Report - 30 June 2025

Gilgandra Financial Services Limited

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:	Julie Prout
Title:	Non-executive director
Experience and expertise:	Extensive administration and governance experience, Diploma Frontline Management, volunteer with Gilgandra Rugby League Football Club, volunteer seamstress Made With Love - Murrumbidgee (Angel Babies) and 4 years as Chair Gilgandra Financial Services.
Special responsibilities:	Chair, Community Engagement Committee, Human Resources Committee, Finance Committee and Governance & Strategy Committee.
Name:	Douglas Richard Batten
Title:	Non-executive director
Experience and expertise:	Local Government Councillor since September 2008 - 14 years as Mayor. Current chair of Castlereagh Macquarie County Council.
Special responsibilities:	Deputy Chairman, Finance Committee and Community Engagement Committee.
Name:	Tracey Jane Stevenson
Title:	Non-executive director
Experience and expertise:	Employment Services. Local voluntary work.
Special responsibilities:	Human Resources Committee.
Name:	Sandra Florence Lawford
Title:	Non-executive director
Experience and expertise:	Sandra served 30 years in various administration/financial roles in 3 local government councils. She was an Admin Officer for 6 years with Gilgandra Real Estate. Sandra has Cert IV Human Resource Management, Cert IV Workplace Training & Assessment, and Secretary Certificate.
Special responsibilities:	Company Secretary, Human Resources Committee.
Name:	Brian Francis Mockler
Title:	Non-executive director
Experience and expertise:	Consultant Solicitor, Self employed Farmer and grazier. Community involvement in Tooraweenah Lions Club, Tooraweenah Show Society, Councillor Gilgandra Shire Council, Volunteer Director and Secretary Western Cancer Centre Foundation Ltd. Ambassador for Ovarian Cancer Australia and a former Director Central West LHPA.
Special responsibilities:	Governance & Strategy Committee.
Name:	Narelle Heather Rodway
Title:	Non-executive director
Experience and expertise:	Approx 40 years' experience in management and senior executive roles, including financial management, governance, strategic and operational planning, development of organisational policies and procedures, human resources and project management. My tertiary qualifications are in adult education. I have been a member of Lions International for 25 years, and participated in several Rotary Australia World Community Service projects.
Special responsibilities:	Governance & Strategy Committee.
Name:	Laura Anne Gilmour
Title:	Non-executive director
Experience and expertise:	Management accountant, Bachelor of Accounting and completing Graduate Diploma of Chartered Accounting.
Special responsibilities:	Treasurer

Gilgandra Financial Services Limited
Directors' report
30 June 2025

Name: Gary Wilfred Barraclough
Title: Non-executive director
Experience and expertise: Associate Diploma of Business (Accounting). 20 years as a Commercial Banker with Westpac.
Special responsibilities: Finance Committee.

Name: Lucy Clarice Babbage
Title: Non-executive director
Experience and expertise: Bachelor's degree in English Literature & Creative Writing; 15+ years experience in Human Resources, Executive Leadership, Technology.
Special responsibilities: Nil.

Name: Louise Belinda Johnson
Title: Non-executive director (*resigned 1 August 2024*)
Experience and expertise: Experienced community and stakeholder engagement professional.
Special responsibilities: Nil.

Company secretary
The company secretary is Sandra Florence Lawford. Sandra was appointed to the position of secretary on 24 February 2011.

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 \$170,293 (2024: \$214,805).

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 10 cents per share (2024: 10 cents)	63,056	63,056

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.

Gilgandra Financial Services Limited
Directors' report
30 June 2025

Meetings of directors

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

	Board	
	Eligible	Attended
Julie Prout	11	11
Douglas Richard Batten	11	9
Tracey Jane Stevenson	11	9
Sandra Florence Lawford	11	11
Brian Francis Mockler	11	11
Narelle Heather Rodway	11	9
Laura Anne Gilmour	11	9
Gary Wilfred Barraclough	11	9
Lucy Clarice Babbage	11	7
Louise Belinda Johnson	2	-

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 20 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
Julie Prout	2,000	-	2,000
Douglas Richard Batten	5,001	-	5,001
Tracey Jane Stevenson	2,000	-	2,000
Sandra Florence Lawford	-	-	-
Brian Francis Mockler	500	-	500
Narelle Heather Rodway	1,500	-	1,500
Laura Anne Gilmour	-	-	-
Gary Wilfred Barraclough	-	-	-
Lucy Clarice Babbage	-	-	-
Louise Belinda Johnson	-	-	-

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.

Gilgandra Financial Services Limited
Directors' report
30 June 2025

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 21 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



Julie Prout
Chair

29 September 2025



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 Gilgandra Financial Services Limited

As lead auditor for the audit of Gilgandra 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.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

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

Joshua Griffin
Lead Auditor

Gilgandra 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	1,000,450	1,017,407
Other revenue		1,859	6,098
Finance revenue		18,284	232
Total revenue		1,020,593	1,023,737
Employee benefits expense	7	(531,301)	(493,111)
Advertising and marketing costs		(20,851)	(4,868)
Occupancy and associated costs		(18,580)	(14,315)
System costs		(20,588)	(17,796)
Depreciation and amortisation expense	7	(30,670)	(31,888)
General administration expenses		(118,212)	(126,605)
Total expenses before community contributions and income tax expense		(740,202)	(688,583)
Profit before community contributions and income tax expense		280,391	335,154
Charitable donations, sponsorships and grants expense	7	(53,033)	(48,803)
Profit before income tax expense		227,358	286,351
Income tax expense	8	(57,065)	(71,546)
Profit after income tax expense for the year		170,293	214,805
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		170,293	214,805
		cents	cents
Basic earnings per share	23	27.01	34.07
Diluted earnings per share	23	27.01	34.07

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

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	180,387	184,680
Trade and other receivables	10	87,557	89,254
Investments	11	474,613	406,329
Current tax assets	8	11,873	-
Total current assets		<u>754,430</u>	<u>680,263</u>
Non-current assets			
Property, plant and equipment	12	321,212	332,634
Intangible assets	13	17,374	30,404
Total non-current assets		<u>338,586</u>	<u>363,038</u>
Total assets		<u>1,093,016</u>	<u>1,043,301</u>
Liabilities			
Current liabilities			
Trade and other payables	14	54,023	48,143
Deferred income		-	1,859
Current tax liabilities	8	-	50,418
Employee benefits		20,533	20,533
Total current liabilities		<u>74,556</u>	<u>120,953</u>
Non-current liabilities			
Trade and other payables	14	-	15,040
Deferred tax liabilities	8	2,903	5,443
Employee benefits		7,958	1,503
Total non-current liabilities		<u>10,861</u>	<u>21,986</u>
Total liabilities		<u>85,417</u>	<u>142,939</u>
Net assets		<u>1,007,599</u>	<u>900,362</u>
Equity			
Issued capital	15	600,298	600,298
Retained earnings		407,301	300,064
Total equity		<u>1,007,599</u>	<u>900,362</u>

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

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		<u>600,298</u>	<u>148,315</u>	<u>748,613</u>
Profit after income tax expense		-	214,805	214,805
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		<u>-</u>	<u>214,805</u>	<u>214,805</u>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	<u>-</u>	<u>(63,056)</u>	<u>(63,056)</u>
Balance at 30 June 2024		<u><u>600,298</u></u>	<u><u>300,064</u></u>	<u><u>900,362</u></u>
 Balance at 1 July 2024		<u>600,298</u>	<u>300,064</u>	<u>900,362</u>
Profit after income tax expense		-	170,293	170,293
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		<u>-</u>	<u>170,293</u>	<u>170,293</u>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	<u>-</u>	<u>(63,056)</u>	<u>(63,056)</u>
Balance at 30 June 2025		<u><u>600,298</u></u>	<u><u>407,301</u></u>	<u><u>1,007,599</u></u>

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

Gilgandra 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)		1,102,192	1,131,486
Payments to suppliers and employees (inclusive of GST)		(851,642)	(801,255)
Interest received		18,284	232
Income taxes paid		<u>(121,896)</u>	<u>(80,765)</u>
Net cash provided by operating activities	22	<u>146,938</u>	<u>249,698</u>
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(68,284)	(306,329)
Payments for property, plant and equipment	12	(6,218)	(925)
Payments for intangible assets		<u>(13,673)</u>	<u>(13,673)</u>
Net cash used in investing activities		<u>(88,175)</u>	<u>(320,927)</u>
Cash flows from financing activities			
Dividends paid	17	<u>(63,056)</u>	<u>(63,056)</u>
Net cash used in financing activities		<u>(63,056)</u>	<u>(63,056)</u>
Net decrease in cash and cash equivalents		(4,293)	(134,285)
Cash and cash equivalents at the beginning of the financial year		<u>184,680</u>	<u>318,965</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>180,387</u></u>	<u><u>184,680</u></u>

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

Gilgandra Financial Services Limited
Notes to the financial statements
30 June 2025

Note 1. Reporting entity

The financial statements cover Gilgandra 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 51 Miller St, Gilgandra NSW 2827.

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 29 September 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.

Investments

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

Impairment of financial assets

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

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Note 3. Material accounting policy information (continued)

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

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.

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

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.

Note 5. Economic dependency

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 November 2026.

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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.

Gilgandra Financial Services Limited
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Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	864,865	878,021
Fee income	80,687	83,779
Commission income	54,898	55,607
	<u>1,000,450</u>	<u>1,017,407</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

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30 June 2025

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. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	460,288	430,533
Superannuation contributions	48,023	45,732
Expenses related to long service leave	6,455	(2,257)
Other expenses	16,535	19,103
	<u>531,301</u>	<u>493,111</u>

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Notes to the financial statements
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Note 7. Expenses (continued)

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	2,622	2,622
Plant and equipment	3,618	3,868
Buildings	11,400	11,276
	<u>17,640</u>	<u>17,766</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,172	2,353
Franchise renewal fee	10,858	11,769
	<u>13,030</u>	<u>14,122</u>
	<u><u>30,670</u></u>	<u><u>31,888</u></u>

Charitable donations, sponsorships and grants expense

	2025	2024
	\$	\$
Direct donation, sponsorship and grant payments	<u>53,033</u>	<u>48,803</u>

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

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	59,605	74,244
Movement in deferred tax	(2,540)	(1,333)
Under/over adjustment	<u>-</u>	<u>(1,365)</u>
Aggregate income tax expense	<u><u>57,065</u></u>	<u><u>71,546</u></u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>227,358</u>	<u>286,351</u>
Tax at the statutory tax rate of 25%	56,840	71,588
Tax effect of:		
Non-deductible expenses	225	1,323
Under/over adjustment	<u>-</u>	<u>(1,365)</u>
Income tax expense	<u><u>57,065</u></u>	<u><u>71,546</u></u>

Gilgandra Financial Services Limited
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Note 8. Income tax (continued)

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(10,765)	(11,667)
Employee benefits	7,162	5,549
Accrued expenses	700	675
	<u>(2,903)</u>	<u>(5,443)</u>
Deferred tax liability		
	<u>(2,903)</u>	<u>(5,443)</u>
	2025 \$	2024 \$
Income tax refund due	<u>11,873</u>	<u>-</u>
	2025 \$	2024 \$
Provision for income tax	<u>-</u>	<u>50,418</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>180,387</u>	<u>184,680</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	82,668	84,365
Prepayments	<u>4,889</u>	<u>4,889</u>
	<u>87,557</u>	<u>89,254</u>

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Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	474,613	406,329

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Land - at cost	18,000	18,000
Buildings - at cost	294,635	294,635
Less: Accumulated depreciation	(31,368)	(19,968)
	263,267	274,667
Leasehold improvements - at cost	119,785	119,785
Less: Accumulated depreciation	(106,785)	(104,163)
	13,000	15,622
Plant and equipment - at cost	74,324	69,092
Less: Accumulated depreciation	(47,379)	(44,747)
	26,945	24,345
	321,212	332,634

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	18,000	285,943	18,244	27,288	349,475
Additions	-	-	-	925	925
Depreciation	-	(11,276)	(2,622)	(3,868)	(17,766)
Balance at 30 June 2024	18,000	274,667	15,622	24,345	332,634
Additions	-	-	-	6,218	6,218
Depreciation	-	(11,400)	(2,622)	(3,618)	(17,640)
Balance at 30 June 2025	18,000	263,267	13,000	26,945	321,212

Accounting policy for property, plant and equipment

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

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

Buildings	10 to 40 years
Leasehold improvements	3 to 20 years
Plant and equipment	1 to 40 years

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

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Note 12. Property, plant and equipment (continued)

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

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

Note 13. Intangible assets

	2025	2024
	\$	\$
Franchise fee	43,605	43,605
Less: Accumulated amortisation	<u>(40,710)</u>	<u>(38,538)</u>
	<u>2,895</u>	<u>5,067</u>
Franchise renewal fee	168,025	168,025
Less: Accumulated amortisation	<u>(153,546)</u>	<u>(142,688)</u>
	<u>14,479</u>	<u>25,337</u>
	<u><u>17,374</u></u>	<u><u>30,404</u></u>

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

	Franchise fee	Franchise renewal fee	Total
	\$	\$	\$
Balance at 1 July 2023	7,420	37,106	44,526
Amortisation expense	<u>(2,353)</u>	<u>(11,769)</u>	<u>(14,122)</u>
Balance at 30 June 2024	5,067	25,337	30,404
Amortisation expense	<u>(2,172)</u>	<u>(10,858)</u>	<u>(13,030)</u>
Balance at 30 June 2025	<u><u>2,895</u></u>	<u><u>14,479</u></u>	<u><u>17,374</u></u>

Accounting policy for intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2026

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

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Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Other payables and accruals	54,023	48,143
<i>Non-current liabilities</i>		
Other payables and accruals	-	15,040
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	54,023	63,183
less other payables and accruals (net GST payable to the ATO)	(23,126)	(21,063)
	30,897	42,120

Note 15. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	630,559	630,559	630,559	630,559
Less: Equity raising costs	-	-	(30,261)	(30,261)
	630,559	630,559	600,298	600,298

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

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Note 15. Issued capital (continued)

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").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 314. As at the date of this report, the company had 350 shareholders (2024: 350 shareholders).

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 16. 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%.

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.

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Note 16. Capital management (continued)

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

Note 17. Dividends

Dividends provided for and paid during the period

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 10 cents per share (2024: 10 cents)	<u>63,056</u>	<u>63,056</u>

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	59,746	-
Franking credits (debits) arising from income taxes paid (refunded)	121,896	80,765
Franking debits from the payment of franked distributions	<u>(21,019)</u>	<u>(21,019)</u>
	<u>160,623</u>	<u>59,746</u>

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	160,623	59,746
Franking credits (debits) that will arise from payment (refund) of income tax	<u>(11,873)</u>	<u>50,418</u>
Franking credits available for future reporting periods	<u>148,750</u>	<u>110,164</u>

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

Accounting policy for dividends

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

Note 18. 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:

- 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.

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Note 18. Financial risk management (continued)

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	82,668	84,365
Cash and cash equivalents (note 9)	180,387	184,680
Investments (note 11)	474,613	406,329
	<u>737,668</u>	<u>675,374</u>
Financial liabilities		
Trade and other payables (note 14)	<u>30,897</u>	<u>42,120</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

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 earning on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$180,387 and investments of \$474,613 at 30 June 2025 (2024: \$184,680 and \$406,329).

Gilgandra Financial Services Limited
Notes to the financial statements
30 June 2025

Note 18. Financial risk management (continued)

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	30,897	-	-	30,897
Total non-derivatives	30,897	-	-	30,897
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	27,080	15,040	-	42,120
Total non-derivatives	27,080	15,040	-	42,120

Note 19. Key management personnel disclosures

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

Julie Prout	Narelle Heather Rodway
Douglas Richard Batten	Laura Anne Gilmour
Tracey Jane Stevenson	Gary Wilfred Barraclough
Sandra Florence Lawford	Lucy Clarice Babbage
Brian Francis Mockler	Louise Belinda Johnson

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 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Gilgandra Financial Services Limited
Notes to the financial statements
30 June 2025

Note 20. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Sandra Lawford has provided the company with secretarial and board support services. The total benefit received was:	-	3,750
Laura Gilmour has provided financial accounting and bookkeeping services. The total benefit received was:	5,000	5,000
The company provided a sponsorship to the Gilgandra Rugby League Football Club of which Douglas is a member. The total benefit received was:	250	-
The company provided a sponsorship to the Gilgandra Film Festival of which Lucy Babbage mother is on the board. The total benefit received was:	2,500	-

Note 21. 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 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	705	1,064
General advisory services	3,050	4,100
Share registry services	7,783	5,378
	11,538	10,542
	19,468	17,192

Note 22. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	170,293	214,805
Adjustments for:		
Depreciation and amortisation	30,670	31,888
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,697	6,912
Increase in income tax refund due	(11,873)	-
Increase in trade and other payables	4,513	9,008
Decrease in deferred income	(1,859)	-
Decrease in provision for income tax	(50,418)	(7,886)
Decrease in deferred tax liabilities	(2,540)	(1,333)
Increase/(decrease) in employee benefits	6,455	(3,696)
Net cash provided by operating activities	146,938	249,698

Gilgandra Financial Services Limited
Notes to the financial statements
30 June 2025

Note 23. Earnings per share

	2025 \$	2024 \$
Profit after income tax	170,293	214,805
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	630,559	630,559
Weighted average number of ordinary shares used in calculating diluted earnings per share	630,559	630,559
	cents	cents
Basic earnings per share	27.01	34.07
Diluted earnings per share	27.01	34.07

Note 24. Commitments

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

Note 25. Contingencies

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

Note 26. 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.

Gilgandra Financial Services Limited
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



Julie Prout
Chair

29 September 2025



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 Gilgandra Financial Services Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Gilgandra 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 Gilgandra 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.



Andrew Frewin Stewart
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ABN: 65 684 604 390
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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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

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