

Annual Report 2026

Henty Community
Financial Services Ltd

Community Bank
Henty

ABN 20 084 864 835

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Chairman's report

For year ending 30 June 2026

Welcome, and thank you for taking the time to read our annual report.

It has been another positive year for Henty Community Financial Services Ltd, and I am proud of the contribution Community Bank Henty continues to make to the Henty district and surrounding community. Supporting our local community remains at the heart of what we do, and over the past 12 months we have continued to provide significant support to local organisations, projects and initiatives.

A major highlight this year was our \$130,000 contribution to the Avondale Respite Trust, completing our \$400,000 commitment to the Nurses Quarters project (totalling \$900,000 of total funds into Avondale since they started). We also contributed a combined \$52,000 towards solar panels and batteries for the Henty Community Club, Yerong Creek Bowling Club and Henty Showground Trust. A further \$16,000 was contributed towards the Showground poultry shed project, while \$7,000 was provided to Culcairn Golf Club towards the purchase of a mower. These contributions demonstrate the value of the community bank model, with our customers helping us return funds to local organisations and projects that make a genuine difference to our community.

In October last year, Bendigo Bank announced the closure of its 30-year-old agency model, which operated through third-party local businesses. This decision was made in response to decreasing customer usage, reduced in-person activity and rising compliance costs, and as a result our Holbrook agency closed.

There have also been some changes within the Community Bank Henty branch team this year. We farewelled Rhiannon Rutland, who moved into another role within the Bendigo Bank network, and we thank her for her contribution to our branch. Our permanent staff, Kate, Veronica and Renae, continue to provide excellent service and support to our customers, with our fantastic casual staff, Michelle and Jacinda, once again providing valuable support and flexibility throughout the year.

We are pleased to see Steph Knust step into the role of Branch Manager, while also celebrating an impressive 10 years of service with Community Bank Henty. We congratulate Steph on both achievements and thank

her for her ongoing commitment, leadership and contribution to our customers and community.

A large amount of the Board's time this year has been dedicated to reviewing and implementing compliance policies and requirements directed by Bendigo Bank. Our Directors have generously given their time to ensure the organisation remains compliant and continues to meet its governance responsibilities, and their commitment and contribution is greatly appreciated. Our staff have also attended various Bendigo Bank network events throughout the year, providing opportunities to connect with other community bank teams and share ideas.

In January, Dennis Kane stepped down as a Director after 12 years of service. I would like to sincerely thank Dennis for his commitment, knowledge and contribution to the Board over that time.

As I come to the end of my time as Chairman, I am very pleased that Adrian O'Brien has taken on the role of Chairman. Adrian has been a valued member of the Board, and I am confident he will provide strong leadership as the organisation moves forward.

It has been a privilege to serve as Chairman, and I am proud of what our Board, staff and volunteers have achieved during my time in the role. Community Bank Henty remains focused on financial sustainability while continuing to support the Henty district. The strength of the community bank model comes from the relationship between our customers, staff, Board and the wider community, and I am grateful to everyone who continues to support us.

As always, none of this would be possible without the dedication of our staff, our volunteer Board of Directors and the organisations and individuals who support Community Bank Henty. Their time, skills and commitment make a significant contribution to both the community bank and our community.

Thank you to everyone who continues to support your community bank. Your banking truly makes a difference.

Leigh Eulenstein
Chairman
Henty Community Financial Services Ltd

Manager's report

For year ending 30 June 2026

It is with great pleasure that I present my first Manager's report for Community Bank Henty for year ending 30 June 2026.

Firstly, I extend my sincere gratitude to our dedicated staff for their commitment and ongoing service they have provided to our community throughout a year of significant change. A heartfelt thanks to Kate, Veronica, Renae, Michelle and Jacinda, who all provide our valued customers with exceptional service.

In June 2026, we farewelled Rhiannon Rutland from the branch as she moved into an exciting new role as Senior Branch Manager with Bendigo Bank for Western Riverina Community Financial Services. We express great appreciation to Rhiannon for the contribution she made to our Community Bank during her two years with us, and we wish her all the best with the next chapter in her career. I am particularly grateful for Rhiannon's guidance and expertise, which has been instrumental in strengthening my leadership role.

I would also like to extend my appreciation to our local volunteer Board of Directors and Regional Manager David Wilkes for their ongoing support and guidance through the year.

I am truly grateful for the opportunity to grow and support Henty Community Financial Services Ltd, our shareholders and our valued customers. The community bank model provides opportunities for our community to thrive on its own terms. I would encourage all members of our community to explore how we can support their financial goals. When you bank with us, your profits stay local, directly funding vital community assets and proving that your financial choices can build a stronger Henty and surrounding district.

Steph Knust
Branch Manager
Community Bank Henty

Directors' report

30 June 2026

The directors present their report on Henty Community Financial Services Ltd for the financial year ended 30 June 2026.

Information on directors

The names of each person who has been a director during the year and to date of the report are:

- Leigh Eulenstein
- John Ellis
- Hugh Clancy
- Rachelle Roulston
- Adrian O'Brien
- Steve Pinnuck
- Dennis Kane, resigned 17 December 2025
- Helen McRorie, resigned 19 September 2025

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

Adrian O'Brien

Qualifications	Director since March 2025
Experience	Real Estate Licensee. Farming business partner
Special responsibilities	Chair (since July 2026)

John Ellis

Qualifications	Board member since June 1996
Experience	Field Marketing agronomist. Director/Partner of small business
Special responsibilities	Deputy Chair

Hugh Clancy

Qualifications	Board member since June 2009
Experience	Qualified Motor Mechanic. Farming business partner
Special responsibilities	Treasurer

Leigh Eulenstein

Qualifications	Board member since September 2013
Experience	Small business owner
Special responsibilities	Former Chair (until July 2026)

Rachelle Roulston

Experience	Board member since March 2018
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Directors' report (continued)

Information on directors (continued)

Steve Pinnuck

Qualifications	Director since June 2025
Experience	Qualified Manager. Self-employed Consultant

Dennis Kane

Qualifications	Board member since September 2013
Experience	Small Business Owner

Helen McRorie

Qualifications	Board member since June 2009
Experience	Farming business partner

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.

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Leigh Eulenstein	11	9
John Ellis	11	9
Hugh Clancy	11	10
Rachelle Roulston	11	11
Adrian O'Brien	11	11
Steve Pinnuck	11	11
Dennis Kane	5	4
Helen McRorie	2	2

Directors' report (continued)

Meetings of directors (continued)

Director's Interests

Director	Balance at 01 July 2025	Balance at 30 June 2026
	\$	\$
Leigh Eulenstein	3,500	3,500
John Ellis	1,500	1,500
Hugh Clancy	1,150	1,150
Rachelle Roulston	800	800
Dennis Kane	500	500
Helen McRorie	600	600

Principal activities

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

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

Operating results

The profit/(loss) of the Company after providing for income tax amounted to (\$17,611) (2025: \$160,274).

Dividends paid or recommended

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

- A fully franked dividend of \$0.08 was paid during the year as recommended in last year's report.
- A fully franked dividend of \$0.06 was declared on 18 December 2025 for payment for the year ended 30 June 2025.

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show loss after provision for income tax was \$17,611.00.

Significant changes in state of affairs

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

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

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

Indemnification and insurance of officers and auditors

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

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

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.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2026 has been received and can be found on page # of the financial report.

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



Adrian O'Brien
Director

Dated: 30 September 2026

Auditor's independence declaration



Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Henty Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Henty Community Financial Services Limited. As the lead auditor for the audit of the financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink that reads 'RSD Audit'.

RSD Audit

A handwritten signature in dark ink that appears to read 'Tyson Holt'.

Tyson Holt
Associate Director

30 September 2026

Financial statements

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	6	1,033,579	1,081,431
Finance income	7	24,067	12,162
Other income	6	33,995	56,543
Total income		1,091,641	1,150,136
Depreciation and amortisation	8.b	(38,057)	(36,645)
Employee benefit expenses	8.a	(504,018)	(436,113)
Other expenses		(52,404)	(56,197)
Administrative expenses		(122,132)	(61,005)
Occupancy expenses		(22,584)	(27,681)
IT expenses		(22,925)	(19,259)
Promotion and advertising expenses		(9,377)	(2,717)
Commissions expenses		(10,814)	(37,860)
Sponsorship expenses		(88,740)	(7,312)
Unrealised loss on investment		(38,239)	-
Total expenses		(909,290)	(684,789)
Operating profit/(loss) before charitable donations & sponsorship		182,351	465,347
Charitable donations & sponsorship	8.c	(210,183)	(270,000)
Profit/(loss) before income tax		(27,832)	195,347
Income tax expense	9	10,221	(35,073)
Profit/(loss) for the year after income tax		(17,611)	160,274
Profit/(loss) attributable to the ordinary shareholders of the company		(17,611)	160,274

	Note	2026 Cents	2025 Cents
Earnings per share			
- basic and diluted earnings per share	22	(6.58)	59.90

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position

As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	11	129,136	193,229
Trade and other receivables	12	106,912	96,559
Other financial assets	13	313,533	265,009
Current tax receivable	19	4,598	-
Other assets	16	11,419	10,177
Total current assets		565,598	564,974
Non-current assets			
Property, plant and equipment	14	190,251	212,715
Intangible assets	15	32,508	46,339
Total non-current assets		222,759	259,054
Total assets		788,357	824,028
Liabilities			
Current liabilities			
Trade and other payables	17	103,323	83,994
Current tax liabilities	19	-	20,054
Employee benefits	18	20,478	38,186
Total current liabilities		123,801	142,234
Non-current liabilities			
Trade and other payables	17	13,829	-
Deferred tax liabilities	19	12,788	15,456
Employee benefits	18	7,617	3,160
Total non-current liabilities		34,234	18,616
Total liabilities		158,035	160,850
Net assets		630,322	663,178
Equity			
Share capital	23	267,585	267,585
Retained earnings	24	362,737	395,593
Total equity		630,322	663,178

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity

For the year ended 30 June 2026

	Ordinary shares \$	Retained earnings \$	Total equity \$
2025			
Opening balance	267,585	257,143	524,728
Profit for the year	-	160,274	160,274
Dividends provided for or paid	-	(21,824)	(21,824)
Closing balance	267,585	395,593	663,178
	Ordinary shares \$	Retained earnings \$	Total equity \$
2026			
Opening balance	267,585	395,593	663,178
Profit / (Loss) for the year	-	(17,611)	(17,611)
Dividends provided for or paid	-	(15,245)	(15,245)
Closing balance	267,585	362,737	630,322

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities:			
Receipts from customers		1,167,182	1,274,043
Payments to suppliers and employees		(948,534)	(972,371)
Dividends received		11,065	5,444
Donations paid		(210,183)	(270,000)
Interest received		9,389	6,718
Income taxes paid		(16,899)	(2,913)
Net cash flows from/(used in) operating activities	25	12,020	40,921
Cash flows from investing activities:			
Proceeds from sale of investment		-	201,144
Purchase of property, plant and equipment		(1,761)	(167)
Purchase of investments		(86,765)	(47,005)
Purchase of intangible assets		27,658	(69,145)
Net cash provided by/(used in) investing activities		(60,868)	84,827
Cash flows from financing activities:			
Dividends paid		(15,245)	(21,824)
Net cash provided by/(used in) financing activities		(15,245)	(21,824)
Net increase/(decrease) in cash and cash equivalents		(64,093)	103,924
Cash and cash equivalents at beginning of year		193,229	89,305
Cash and cash equivalents at end of financial year	11	129,136	193,229

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2026

1. Introduction

The financial report covers Henty Community Financial Services Ltd (the Company) as an individual entity. Henty Community Financial Services Ltd is a Company limited by shares, incorporated and domiciled in Australia.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 27.

The financial report was authorised for issue by the Directors on 30 September 2026.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

3. Material accounting policy information

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3. Material accounting policy information (continued)

b. Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of Henty Community Bank branch.

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.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity 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.

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
- calculation of Company revenue and payment of many operating and administrative expenses

3. Material accounting policy information (continued)

b. Economic Dependency (continued)

- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

c. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, and cash and cash equivalents.

The sub-notes refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash generating unit

i. Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI debt investment; FVTOCI equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. Material accounting policy information (continued)

c. Financial instruments (continued)

ii. Classification & Subsequent Measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

3. Material accounting policy information (continued)

c. Financial instruments (continued)

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

d. Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

3. Material accounting policy information (continued)

d. Impairment (continued)

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2026.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non financial assets.

3. Material accounting policy information (continued)

e. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

f. New accounting standards and interpretations

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The standard is effective for annual reporting periods beginning on or after 1 January 2027 for applicable entities. The directors have assessed the new standard and do not expect its adoption to have a material impact on the Company's financial position or financial performance, although it may result in changes to the presentation and disclosure of information in the financial statements.

4. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

1. 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
2. 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 year ended 30 June 2026 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.

5. Significant accounting assumptions, estimates and judgements

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

6. Revenue and other income

a. Accounting policy

i. 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share.	Margin, commission and fee income.	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

6. Revenue and other income (continued)

a. Accounting policy (continued)

i. Revenue from contracts with customers (continued)

Margin

Margin is arrived at through the following calculation:

$$\begin{array}{r} \text{Interest paid by customers on loans, less interest paid to customers on deposits} \\ \text{plus} \\ \text{Deposit returns (i.e. interest return applied by BABL on deposits)} \\ \text{minus} \\ \text{Any costs of funds (i.e. interest applied by BABL to fund a loan)} \end{array}$$

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

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee Income

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

6. Revenue and other income (continued)

a. Accounting policy (continued)

i. Revenue from contracts with customers (continued)

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 and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

1) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

All revenue is stated net of the amount of Goods and Services Tax (GST).

6. Revenue and other income (continued)

b. Revenue from continuing operations

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

	2026	2025
	\$	\$
Revenue from contracts with customers	1,033,579	1,081,431

c. Disaggregation of revenue from contracts with customers

Revenue from contracts with customers have been have been disaggregated, with the breakdown displayed in the following tables:

	2026	2025
	\$	\$
Margin Income	836,128	829,341

	2026	2025
	\$	\$
Fee Income	38,573	36,387

	2026	2025
	\$	\$
Commission Income	158,878	215,703

	2026	2025
	\$	\$
Total revenue from contracts with customers	1,033,579	1,081,431

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Notes to the financial statements (continued)

6. Revenue and other income (continued)

d. Other income

The Company generates other sources of revenue as outlined below

	2026	2025
	\$	\$
Other income		
Sublet rental income	415	1,025
Unrealised gains on investments	-	31,136
Realised gains on investments	-	2,671
Sundry income	33,580	21,711
Total	33,995	56,543

7. Finance income and expenses

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate. Finance costs are recognised as expenses when incurred using the effective interest rate.

Finance Income	2026	2025
	\$	\$
Dividends received - at FVTPL	11,065	5,444
Interest from term deposit - at amortised cost	13,002	6,718
Total	24,067	12,162

Notes to the financial statements (continued)

8. Result for the year

The result for the year includes the following specific expenses:

a. Employee Benefits Expense

Employee Benefits Expense	2026	2025
	\$	\$
Employee Benefits Expense		
Salary and wage expenses	449,431	397,663
Superannuation contributions	52,971	45,334
Other expenses related to employees	1,616	(6,884)
Total	504,018	436,113

b. Depreciation & Amortisation Expense

	2026	2025
	\$	\$
Depreciation of Non-current Assets		
Buildings & leasehold improvements	7,820	7,840
Plant & equipment	9,825	8,375
Motor vehicles	6,580	6,598
Total	24,225	22,813

Amortisation of Intangible Assets

Franchise fees	13,832	13,832
Total	13,832	13,832

Total Depreciation & Amortisation Expense	38,057	36,645
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c. Community Investments & Sponsorship

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 and grants).

	2026	2025
	\$	\$
Community Investments & Sponsorship		
Contribution to the Community Enterprise Foundation	210,183	270,000

8. Result for the year (continued)

c. Community Investments & Sponsorship (continued)

The funds contributed are held by the Community Enterprise Foundation (CEF) and 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.

d. Community Enterprise Foundation (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2026 \$	2025 \$
Disaggregation of CEF Funds		
Opening balance	1,812,316	1,590,392
Contributions paid	88,000	237,152
Grants paid out	-	(87,358)
Interest received	79,483	82,656
Management fees incurred	(12,000)	(10,526)
Total available for distribution	1,967,799	1,812,316

Notes to the financial statements (continued)

9. Income tax expense

a. Accounting policy

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

b. The major components of tax expense/(income) comprise:

	2026	2025
	\$	\$
Current tax expense	-	55,691
Deferred tax expense	(2,512)	6,677
Recoupment of prior year tax losses	-	(32,573)
Under/(over) provision in respect of prior years	(7,709)	5,278
Total	(10,221)	35,073

c. Reconciliation of income tax to accounting profit:

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2026	2025
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	(6,958)	48,837
Add tax effect of:		
Non-deductible franchise fee amortisation	3,458	3,458
Franking credit gross up	1,186	583
Temporary differences	(1,205)	2,786
Other permanent differences	-	(98)
Donations	-	125
Under/(over) provision for income tax in prior year	(7,709)	5,278
Movement in deferred tax	(2,709)	6,677
Adjustment to account for tax loss	3,716	(32,573)
Income tax expense attributable to the entity	(10,221)	35,073
	%	%
The applicable weighted average effective tax rate is	36.73	17.95

Notes to the financial statements (continued)

10. Auditor's remuneration

	2026	2025
	\$	\$
Remuneration of the auditor of the Henty Community Financial Services, RSD Audit, for audit and review of the financial statements		
Auditing or reviewing the financial statements	4,950	6,600

11. Cash and cash equivalents

a. Accounting policy

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, and cash deposits held with banks.

b. Cash and cash equivalent details

	2026	2025
	\$	\$
Cash at bank	124,899	192,283
Cash on hand	946	946
Short-term deposits	3,291	-
	129,136	193,229

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

12. Trade and other receivables

Current	2026	2025
	\$	\$
Trade receivables	100,586	93,857
Other trade and other receivables	6,326	2,702
Total	106,912	96,559

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Notes to the financial statements (continued)

13. Other financial assets

Current	2026 \$	2025 \$
Equity securities - at FVTPL	199,828	227,002
Other financial assets -at FVTPL	113,705	38,007
Total	313,533	265,009

The company holds listed investments, being shares in Bendigo and Adelaide Bank. These investments are subject to market price fluctuations. The shares are measured at fair value based on quoted market prices at the reporting date.

Financial assets at fair value through profit or loss classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

14. Property, plant and equipment

a. Accounting policy

Recognition & Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

i. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	10 - 40 years
Plant and equipment	3 - 20 years
Motor vehicles	5 years
Leasehold improvements	10 - 40 years

Notes to the financial statements (continued)

14. Property, plant and equipment (continued)

b. Property, plant and equipment details

	2026 \$	2025 \$
Land		
Land at Cost	4,800	4,800
Buildings		
Buildings at costs	254,350	254,350
Buildings Accum Dep'n	(112,331)	(105,331)
Total Buildings	142,019	149,019
Plant and equipment		
Plant & Equipment - at Cost	192,111	190,350
Plant & Equipment - Accm Depn	(172,197)	(162,372)
Total Plant and equipment	19,914	27,978
Motor vehicles		
MV - at Cost	33,174	33,174
MV - Accm Depn	(14,850)	(8,270)
Total Motor vehicles	18,324	24,904
Leasehold improvements		
Improvements - at Cost	8,083	8,083
Improvements - Accm Amort	(2,889)	(2,069)
Total Leasehold improvements	5,194	6,014
Total	190,251	212,715

Movements in carrying amounts

2026	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Opening balance	4,800	149,019	27,978	24,904	6,014	212,715
Additions	-	-	1,761	-	-	1,761
Depreciation	-	(7,000)	(9,825)	(6,580)	(820)	(24,225)
Closing balance	4,800	142,019	19,914	18,324	5,194	190,251
As at 30 June 2026						
At cost	4,800	142,019	19,914	18,324	5,194	190,251

Notes to the financial statements (continued)

14. Property, plant and equipment (continued)

b. Property, plant and equipment details (continued)

2025	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Opening balance	4,800	156,038	36,186	31,502	6,834	235,360
Additions	-	-	167	-	-	167
Depreciation	-	(7,020)	(8,375)	(6,598)	(820)	(7,418)
Closing balance	4,800	149,018	27,978	24,904	6,014	212,714

c. Capital Expenditure Commitments

The Company does not have any capital expenditure commitments as at 30 June 2026 (2025: None).

d. Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

15. Intangible assets

a. Accounting policy

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

i. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Category of intangible asset	Method	Useful life
Franchise fee	Straight-line	Franchise term - 5 years

Notes to the financial statements (continued)

15. Intangible assets (continued)

a. Accounting policy (continued)

i. Amortisation (continued)

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

b. Intangible asset details

Carrying amounts	2026	2025
	\$	\$
Franchise fees - at cost	69,145	69,145
Franchise fees - accumulated amortisation	(36,638)	(22,806)
Total	32,507	46,339

Movements in Carrying Amounts

	Franchise fees	Total
	\$	\$
2025		
Opening balance	60,171	60,171
Additions	-	-
Disposals	-	-
Amortisation	(13,832)	(13,832)
Closing balance	46,339	46,339

As at 30 June 2025

At cost	46,339	46,339
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	Franchise fees	Total
	\$	\$
2026		
Opening balance	46,339	46,339
Additions	-	-
Disposals	-	-
Amortisation	(13,831)	(13,831)
Closing balance	32,508	32,508

As at 30 June 2026

At cost	32,508	32,508
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Notes to the financial statements (continued)

16. Other assets

	2026	2025
	\$	\$
Prepayments	11,419	10,177

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

17. Trade and other payables

Current	2026	2025
	\$	\$
Trade payables	6,077	5,780
GST payable	14,407	21,640
Employee benefits	26,124	20,385
Accrued expenses	7,738	4,700
Other trade and other payables	48,977	31,489
Total	103,323	83,994

Non-current

Other trade and other payables	13,829	-
Total	13,829	-

Total current and non-current payables	117,152	83,994
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Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

18. Employee benefits

a. Accounting policy

Short-term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on costs. Expenses for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

18. Employee benefits (continued)

b. Employee benefit details

Current	2026	2025
	\$	\$
Provision for annual leave	16,897	20,629
Provision for long service leave	3,581	17,557
	20,478	38,186
Non-current	2026	2025
	\$	\$
Provision for long service leave	7,617	3,160

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

19. Tax assets and liabilities

a. Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income Tax

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

b. Tax assets and liabilities details

Current tax assets	2026	2025
	\$	\$
Current tax	4,598	-

Notes to the financial statements (continued)

19. Tax assets and liabilities (continued)

b. Tax assets and liabilities details (continued)

Current tax liabilities	2026	2025
	\$	\$
Current tax	-	20,054

2026	Opening balance	Charged to income	Closing balance
	\$	\$	\$
Deferred tax assets			
Expense accruals	6,271	2,195	8,466
Unused tax losses	-	3,717	3,717
Property, plant and equipment	5,960	1,335	7,295
Employee provisions	10,337	(3,313)	7,024
Total deferred tax assets	22,568	3,934	26,502
Deferred tax liabilities			
Prepayments	(2,545)	(360)	(2,905)
Accrued income	(673)	(906)	(1,579)
Financial assets carried at FVTPL	(34,806)	-	(34,806)
Total deferred tax liabilities	(38,024)	(1,266)	(39,290)
Net deferred tax	(15,456)	2,668	(12,788)

Notes to the financial statements (continued)

19. Tax assets and liabilities (continued)

b. Tax assets and liabilities details (continued)

2025	Opening balance \$	Charged to income \$	Closing balance \$
Deferred tax assets			
Expense accruals	21,359	(15,088)	6,271
Unused tax losses	9,462	(9,462)	-
Property, plant & equipment	5,596	364	5,960
Employee provisions	14,747	(4,410)	10,337
Total deferred tax assets	51,164	(28,596)	22,568
Deferred tax liabilities			
Prepayments	(2,419)	(126)	(2,545)
Accrued income	-	(673)	(673)
Financial assets carried at FVTPL	(57,524)	22,718	(34,806)
Total deferred tax liabilities	(59,943)	21,919	(38,024)
Net deferred tax assets/(liabilities)	(8,779)	(6,677)	(15,456)

20. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Credit risk
- Market risk - interest rate risk and price risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

20. Financial risk management (continued)

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

b. 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.

20. Financial risk management (continued)

c. 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The Company holds equity investments (shares) in Bendigo and Adelaide Bank, which are subject to market price fluctuations. These investments are classified as Fair Value Through Profit & Loss in accordance with AASB 9 *Financial Instruments*. The Company is exposed to price risk arising from changes in the market value of these equity instruments.

Cash Flow & Fair Values Interest Rate Risk

Interest bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest rate risk could also arise from long term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company held cash and cash equivalents of \$129,136 at 30 June 2026 (2025:\$193,229). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Notes to the financial statements (continued)

21. Dividends

a. Dividends declared or paid

	2026 Number	2025 Number	2026 \$	2025 \$
The following dividends were declared and paid:				
Final franked ordinary dividends	267,585	267,585	15,245	21,824

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

22. Earnings per Share

	2026 \$	2025 \$
Profit/(loss) attributable to ordinary shareholders	(17,611)	160,274
	Number	Number
Weighted average number of ordinary shares	267,585	267,585
	Cents	Cents
Basic and diluted earnings per share	(6.58)	59.90

23. Issued Capital

a. Accounting policy

i. Issued Capital

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

b. Share capital summary

	2026		2025	
	No.	\$	No.	\$
Ordinary shares	267,585	267,585	267,585	267,585

23. Issued Capital (continued)

b. Share capital summary (continued)

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

There were no movements in the total number or value of ordinary shares during the year ended 30 June 2026.

c. Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

d. Capital management

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

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

24. Retained Earnings

	2026	2025
	\$	\$
Balance at the beginning of the reporting period	395,593	257,143
Profit/(loss) for the year after income tax	(17,611)	160,274
Dividends paid	(15,245)	(21,824)
Balance at the end of the reporting period	362,737	395,593

Notes to the financial statements (continued)

25. Cash flow information

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

	2026	2025
	\$	\$
Profit/(loss) for the year	(17,611)	160,274
Add/(less) non-cash items:		
Depreciation and amortisation	38,057	36,645
Fair value movements	38,239	(33,807)
Changes in assets and liabilities:		
(increase)/decrease in receivables	(10,342)	63,380
(increase)/decrease in other assets	(1,252)	(504)
increase/(decrease) in payables	5,500	(199,585)
increase/(decrease) in tax provision	(24,651)	25,483
increase/(decrease) in employee benefits	(13,252)	(17,641)
increase/(decrease) in deferred tax liabilities	(2,668)	6,676
Cash flows from operations	12,020	40,921

26. Financial Instruments

The following table shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2026	2025
		\$	\$
Financial Assets			
Trade and other receivables		106,912	96,559
Cash and cash equivalents		129,136	193,229
Financial assets		113,705	38,007
Total		349,753	327,795
Financial Liabilities			
Trade and other payables		103,323	83,994
Total		(103,323)	(83,994)

27. Related parties

a. The Company's main related parties are as follows:

Key management personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

Key management personnel compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

b. Transactions with related parties

During the year, the Company did not purchase any goods or services from related parties.

Other key management transactions

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

c. Other key management transactions

There has been no other transactions key management or related parties other than those described above.

28. Commitments & Contingencies

Details about any capital commitments are detailed in Note 14.

The Company has no other commitments requiring disclosure.

In the opinion of the directors, the Company did not have any contingencies requiring disclosure at 2026 (2025: None).

29. Events occurring after the reporting date

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

30. Statutory information

The registered office and principal place of business of the Company is:

Henty Community Financial Services Ltd
8 Sladen Street
Henty NSW Australia
2658

31. Fair Value Measurements

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- listed investments
- other financial assets.

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

Notes to the financial statements (continued)

31. Fair Value Measurements (continued)

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

30 June 2026	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Listed Investments	199,828	-	-	199,828
30 June 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Listed Investments	227,002	-	-	227,002

31. Fair Value Measurements (continued)

a. Fair Value Hierarchy (continued)

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2025: no transfers).

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

b. Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Consolidated Entity Disclosure Statement

30 June 2026

Henty Community Financial Services Ltd does not have any controlled entities and therefore the financial statements presented are for a standalone entity. Consequently the Consolidated Entity disclosure required by s295(3A)(a) of the *Corporations Act 2001* is not required.

Directors' declaration

In accordance with a resolution of the directors of Henty Community Financial Services Ltd, we state that:

In the directors opinion:

1. the financial statements and notes of the Company for the year ended 30 June 2026 are in accordance with the *Corporations Act 2001* including:
 - giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year ended on that date; and
 - complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. the consolidated entity disclosure statement required by the *Corporations Act 2001* is true and correct.

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



Adrian O'Brien
Director

Dated: 30 September 2026

Independent audit report



Independent Auditor's Report

To the Members of Henty Community Financial Services Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Henty Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 2026, but does not include the financial report and our auditor's report thereon.

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



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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

In preparing the financial report, Directors are responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized signature for RSD Audit, with 'RSD' in a large, bold, cursive font and 'Audit' in a smaller, cursive font.

RSD Audit

A handwritten signature in black ink, appearing to be 'Tyson Holt'.

Tyson Holt
Associate Director

30 September 2026

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8 Sladen Street, Henty NSW 2658
Phone: 02 6929 3683
Email: email@example.com.au
Web: bendigobank.com.au/henty

Franchisee: Henty Community Financial Services Ltd
ABN: 20 084 864 835
8 Sladen Street, Henty NSW 2658



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