

Annual Report 2025

Hillston & District Financial
Services Limited

ABN 44 107 725 977

Community Bank
Hillston & District and Hay

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Minutes of AGM 2024

ANNUAL GENERAL MEETING HILLSTON & DISTRICT FINANCIAL SERVICES LTD **Held at Hillston Ex-Servicemen's Club Wednesday 27 November 2024**

Meeting opened @ 6:05pm

PRESENT: As per meeting register

APOLOGIES: Phyllis Jones, Stacey Lugsdin, Graeme May, Graeme Lyons, Ellie Baillie

Leave of Absence:

Declarations of Pecuniary Conflict of Interest NIL

In Graeme's absence, Michael stood in as chair for the meeting.

PREVIOUS MINUTES:

Previous minutes were read and accepted. Karen Hewett

Moved, Sally Redpath Second. Resolution passed

CHAIRMAN'S REPORT: As printed in the Annual report, resolved.

Sally Redpath Moved, Karen Hewett Second.

ADOPTION OF ACCOUNTS: To receive & consider the financial statements and reports to the contributors comprising:

1. The P&L
2. Directors declarations
3. Directors report.

Resolved

ELECTION OF DIRECTORS: Graeme May & Peter Storrier were up for re-election. Sally Redpath moved to renominate them both.

Graeme May accepted

Peter Storrier accepted

GENERAL BUSINESS:

Dividend of 3.5% announced to be paid to our shareholders by the end of the year.

Shane Holness spoke on the continued success of the partnership, even in the current challenging times. The figures are currently down due to this, and growth is a challenge, but the staff continue to work hard to combat this.

He spoke on the strategic plans currently in place, starting with the new Griffith office opening on 11 December 2024. This will also go hand in hand with building a stronger team to look after customers. Further to this, they have more ideas that will grow the benefits. This includes further business expansion at the partner's benefit.

He thanks David for joining & highlighted his involvement in the growth & strategic planning being completed for the company. He also thanked all staff for all their hard work throughout the year.

Minutes of AGM 2024 (continued)

Karen asked for an updated from Shane regarding the 50/50 split with the Coleambally board. Shane responded saying that a partner's meeting to be held on 10 December will discuss this further.

Michael welcomed David to his first HDFS AGM.

David responded, said he appreciated the opportunity to attend the AGM & join the team. He gave a shout out to all staff. Mentioned that they are having to work through high volumes of change, both from management & from changes in the industry, and they are all managing well.

Tim Butt thanked all for inviting him to the AGM. He explained the concept of community banking and how it can be our point of difference for our competitors. He also reiterated the changes that Dave mentioned and agreed that the staff are doing a fantastic job with these changes occurring. Tim wished the board all the best with the new Griffith office venture. He spoke of the high success levels of Western Riverina, and that they were a pioneer of CB banks with a lot of other companies following suit with our structure. Tim then thanks the staff & board members for all of their time and efforts for the last year.

Dave spoke on customer trends. The latest statistics released shows that 99.1% of banking interactions are digital, so we need to shift our focus to cater for both digital & in person banking.

The current \$2.50 account keeping fee was brought up by director Peter, who mentioned that he had spoken to other customers who weren't pleased with this update. Dave & Tim spoke on why this has been introduced and the pros & cons for this decision.

Sally reminded all shareholders to update their details to ensure that they are receiving their dividends – there are still a majority of shareholders that have not updated their details for AFS so she is working through them.

Meeting Closed 6:41pm

Chairman's report

For year ending 30 June 2025

The whole Community Banking network is continuing to stay strong, having invested over \$400 million into local communities nationwide. This financial year, between our two branches and the Community Enterprise Foundation, we were able to donate over \$100,000 to our local communities, and we contributed just over \$225,000 to our Community Enterprise Foundation.

Community Bank Hillston & District has now been open for 21 years, and Community Bank Hay has been open for eight years. With a combined growth of \$14.6 million for the last financial year, and a total book of \$292,548 million, our two branches continue to be a huge success for our small communities. This year we celebrated some fantastic milestones in our Hillston branch, with Kelly hitting her 10-year anniversary and Vicki hitting her 20-year anniversary. Congratulations ladies on such an incredible achievement.

I would like to thank Vicki, Kelly, Amber, Ellie, Grace, Sandra, Wyatt, and Teagan for their continued efforts. Keep up the great work everyone.

I would like to thank our Agri Managers, John Walton and Matt Wysman, for all their continued efforts.

Another big thank you goes out to our Community Bank Coleambally & Bendigo Bank Griffith staff, being Sarah, Rachael, Charlotte, Satnam & Christine for all their work throughout the year. Also thank you to Paul, who helps to cover all our branches in the lending space & continues to do a fantastic job.

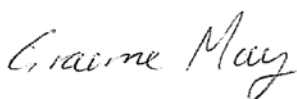
This year the decision was made to close our agencies. I'd like to thank Kristy Brooks and her team at Lake Cargelligo, as well as Julie Kempton and her team at Condobolin, for their fantastic work over the last few years. It has been a pleasure for us to work with you.

Thank you to David Wilkes, the Senior Manager of Western Riverina. David has now been part of the team for over 12 months and continues to provide great support for our staff and board members.

A big thank you must go to Mary Crowley, our company secretary for Western Riverina. She is an integral part of our business and we are very fortunate to have her as part of the organisation.

Thank you to my fellow Hillston & District Financial Services board members - Sally Redpath, Karen Hewett, Graeme Lyons, Michael Brettschneider, Peter Storrier, Paula Knight, Stacey Lugsdin and Phyllis Jones. We would not be unable to operate without all of you volunteering your time, it is greatly appreciated.

Finally, I would like to thank our customers and shareholders very much because without all of you we would not be where we are today.



Graeme May
Chair

Senior Manager's report

For year ending 30 June 2025

It is with great pleasure that I present to you my first Senior Management report for FY24/25. Last financial year presented several successes and some challenges for our business as we continue to navigate what seems to be an ever-changing environment of the retail banking industry.

We closed the financial year with growth across much of our business with an increase of 3.4% in total book value, year on year. The Bank's Business/Agribusiness division completed a huge transition this financial year, with Rural Bank customers transitioning across to Bendigo Bank systems resulting in all banking services now being provided through one single platform. The Agribusiness and Business Banking customers remain a strong focus for our Agri & Business Banking Managers. I would like to say a very big thank you to our customers who stuck with us through the transformation period.

This financial year also saw us expand our physical presence to Griffith. This is an exciting step forward for our customers and staff. Griffith is, by design, a lite touch office which focusses on non-transactional relationships and is key to the management of our customer engagement. Therefore, Griffith is not a standard branch as transactions are not on offer as it is a hub for our customers to open new accounts, discussing all banking needs, whether they are complex lending and business needs, basic account maintenance, or sitting down with a banker face to face.

All our teams across the business are trained and equipped to hold meaningful conversations around banking safely in this modern, digital world, with the confidence and ability to serve our customers with their banking needs.

Our revenue for this financial year has experienced significant margin compression due to falling interest rates (this always occurs when RBA interest rates fall) in combination with a very competitive retail banking environment. As a result, our total revenue fell 7.8% below target, however we managed our expenses well to close the financial year at 0.6% above our budget expense even with setting up a new office. However, because of the reduction in margin our net profit is down substantially by 22.6%. We are very focused on engaging with new customers and providing additional services to counteract the effect of reducing margin.

I would like to thank our amazing team of hard-working, dedicated staff who never cease to impress me with their customer service, willingness to learn and passion to go above and beyond.

Lastly, I would like to thank our volunteer Directors, shareholders, supporters and customers, without you, we wouldn't be able to do what we do. You allow us to continue to feed into the prosperity of our communities. For that, we are very grateful. Please continue to spread our message highlighting that being a customer of our Branches will result in making a difference in the community in which we live. We can only continue to support our communities because you, and everyone you know, choose to bank with us.

Until next time,

David Wilkes

Senior Manager for Western Riverina Community Financial Services Partnership.

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

In FY25, more than \$50 million was invested in local communities, adding to a total of 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

Directors' report

For the year ended 30 June 2025

The Directors present their report, together with the financial statements, on Hillston and District Financial Services Ltd for the financial year ended 30 June 2025.

Board of Directors

The following persons were Directors of Hillston and District Financial Services Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Graeme May	
Title:	Chair
Qualifications:	
Experience & Expertise:	Owner - Hillston Tyre Service

Graeme Lyons	
Title:	Secretary
Qualifications:	Chartered Accountant
Experience & Expertise:	General Manager, Meditrina Beverages

Peter Storrier	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Retired

Sally Redpath	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Proprietor, Hasselfree Secretarial

Michael Brettschneider	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Local primary producer, school bus operator and qualified mechanic

Paula Knight	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Facility Manager, Aged Care

Karen Hewett	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Family own and operate Kidman Way Motor Inn, Hillston

Stacey Lugsdin	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Director - Lugsdin Pty Ltd, Hay Motors Pty Ltd, Lugsdin Farming Trust, Gunbar Private Water Supply Board

Phyllis Jones	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	

Directors were in office for this entire year unless otherwise stated.

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

Directors' report (continued)

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Graeme May	2	2
Graeme Lyons	2	1
Peter Storrer	2	1
Sally Redpath	2	2
Michael Brettschneider	2	2
Paula Knight	2	0
Karen Hewett	2	2
Stacey Lugsdin	2	2
Phyllis Jones	2	1

A - The number of meetings eligible to attend.

B - The number of meetings attended.

- - Not a member of that committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Graeme Lyons	
Qualifications:	Chartered Accountant
Experience & Expertise:	General Manager, Meditrina Beverages

Principal Activities

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

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

Operating Results

The profit of the Company for the financial year after provision for income tax was:

	30 June 2025 (\$)	30 June 2024 (\$)	Movement
Profit After Tax	84,954	96,839	-12%

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.

Directors' report (continued)

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2024	Changes During the Year	Balance at 30 June 2025
Graeme May	10,000	-	10,000
Graeme Lyons	8,000	-	8,000
Peter Storrer	1,000	-	1,000
Sally Redpath	500	-	500
Michael Brettschneider	2,500	-	2,500
Paula Knight	7,500	-	7,500
Karen Hewett	-	-	-
Stacey Lugsdin	-	-	-
Phyllis Jones	-	-	-

Dividends

During the financial year, the following dividends have been provided for but not yet paid. These dividends have been provided for in the financial statements.

	Cents per Share	Total Amount (\$)
Final fully franked dividend	3.5c	\$21,659
Total Amount	3.5c	\$21,659

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

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

Likely Developments

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

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Company

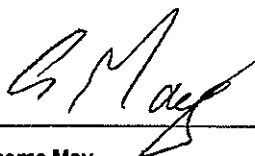
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Hillston, NSW.



Graeme May
Chairperson

Dated this 24th day of September, 2025

Auditor's independence declaration



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Hillston & District 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 Hillston & District Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, 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.

RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 24 September 2025

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Hillston and District Financial Services Ltd

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	7	1,387,898	1,435,244
Other revenue	8	15,541	6,647
Finance income	9	11,057	8,579
		1,414,496	1,450,470
Expenses			
Commissions paid		(76,560)	(90,513)
Employee benefits expense	10	(658,158)	(578,778)
Depreciation and amortisation	10	(82,497)	(65,856)
Finance costs	10	(4,814)	(7,180)
Administration and general costs		(60,805)	(70,776)
Bad and doubtful debts expense		(87)	(66)
IT expenses		(32,169)	(21,937)
Motor vehicle expenses		(16,033)	(4,690)
Occupancy expenses		(23,680)	(22,118)
Other expenses		(71,082)	(64,557)
		(1,025,885)	(926,471)
Operating profit before charitable donations and sponsorship		388,611	523,998
Charitable donations and sponsorship	10	(273,448)	(408,408)
Profit before income tax		115,163	115,590
Income tax expense	11	(30,209)	(18,751)
Profit for the year after income tax		84,954	96,839
Other comprehensive income		3,120	12,781
Total comprehensive income for the year		88,074	109,620
Profit attributable to the ordinary shareholders of the company		88,074	109,620
Total comprehensive income attributable to ordinary shareholders of the company		88,074	109,620
Earnings per share		¢	¢
- basic and diluted earnings per share	33	13.73	15.65

The accompanying notes form part of these financial statements

Financial statements (continued)

Hillston and District Financial Services Ltd

Statement of Financial Position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	306,451	243,622
Trade and other receivables	13	129,068	150,681
Financial assets	14	60,030	51,618
Current tax asset	19	1,423	827
Other assets	15	6,414	7,935
Total current assets		503,386	454,684
Non-current assets			
Property, plant and equipment	16	266,913	260,036
Right-of-use assets	17	76,404	97,939
Intangible assets	18	57,044	83,478
Deferred tax assets	19	31,140	29,107
Total non-current assets		431,501	470,560
Total assets		934,887	925,244
Liabilities			
Current liabilities			
Trade and other payables	20	127,986	122,351
Borrowings	21	4,483	10,955
Lease liabilities	22	25,165	8,826
WRCFS interest	23	76,140	71,366
Employee benefits	24	97,419	101,880
Total current liabilities		331,193	315,378
Non-current liabilities			
Trade and other payables	20	28,928	57,856
Borrowings	21	761	5,204
Lease liabilities	22	60,455	100,434
Employee benefits	24	17,007	16,244
Total non-current liabilities		107,151	179,738
Total liabilities		438,344	495,115
Net assets		496,543	430,128
Equity			
Issued capital	25	618,830	618,830
Accumulated losses		(162,814)	(226,109)
Reserves	27	40,527	37,407
Total equity		496,543	430,128

The accompanying notes form part of these financial statements

Financial statements (continued)

Hillston and District Financial Services Ltd

Statement of Changes in Equity For the year ended 30 June 2025

	Note	Issued Capital	Accumulated Losses	Financial Assets Reserve	Land & Buildings Revaluation Reserve	Total Equity
		\$	\$	\$	\$	\$
Balance at 1 July 2023		618,830	(304,379)	(8,358)	32,984	339,077
Comprehensive income for the year						
Profit for the year		-	96,839	-	-	96,839
Prior period adjustments		-	(4)	-	-	(4)
Other comprehensive income for the year		-	-	12,781	-	12,781
Transactions with owners in their capacity as owners						
Dividends paid or provided	32		(18,565)	-	-	(18,565)
Balance at 30 June 2024		618,830	(226,109)	4,423	32,984	430,128
Balance at 1 July 2024		618,830	(226,109)	4,423	32,984	430,128
Comprehensive income for the year						
Profit for the year		-	84,954	-	-	84,954
Other comprehensive income for the year		-	-	3,120	-	3,120
Transactions with owners in their capacity as owners						
Dividends paid or provided	32	-	(21,659)	-	-	(21,659)
Balance at 30 June 2025		618,830	(162,814)	7,543	32,984	496,543

The accompanying notes form part of these financial statements

Financial statements (continued)

Hillston and District Financial Services Ltd

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		1,408,273	1,503,027
Payments to suppliers and employees		(1,190,657)	(1,292,261)
Dividends received		2,867	1,867
Interest paid		(4,814)	(7,180)
Interest received		11,057	8,579
Income tax paid		(32,839)	(51,479)
Net cash flows provided by operating activities	28b	193,887	162,553
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(43,049)	(32,721)
Payments for purchase of investments		(2,867)	(1,308)
Payments for purchase of intangible assets		(28,928)	(28,928)
Net cash flows used in investing activities		(74,844)	(62,957)
Cash flows from financing activities			
Repayment of borrowings		(19)	59
Repayment of lease liabilities		(34,536)	(19,196)
Dividends paid		(21,659)	(18,565)
Net cash flows used in financing activities		(56,214)	(37,702)
Net increase in cash held		62,829	61,894
Cash and cash equivalents at beginning of financial year		243,622	181,728
Cash and cash equivalents at end of financial year	28a	306,451	243,622

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Corporate Information

These financial statements and notes represent those of Hillston and District Financial Services Ltd (the Company) as an individual entity. Hillston and District Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 24 September 2025.

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 30.

Note 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 represent the interests in joint arrangements for the conduct of the business. The joint arrangement is a partnership between Hillston and District Financial Services and the Coleambally Finance Group that is conducted and managed by the Western Riverina Community Financial Services Pty Ltd. The interests in joint arrangements are accounted for by recognising the Company's financial statements, its share of assets and liabilities and any revenue and expenses as such joint arrangements in the proportions described in the Partnership Agreement.

The Company has the following joint arrangement:

- Western Riverina Community Financial Services Partnership.

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.

Note 3. Summary of Significant Accounting Policies

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

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branches:

Hillston Branch, 174 High Street, Hillston NSW 2675.

Hay Branch, 186 Lachlan Street, Hay NSW 2711.

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

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

(b) 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:

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

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.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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.

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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.

(c) 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.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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.

(e) Tax

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 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.

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.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. 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
- when receivables and payables are stated with the amount of GST included.

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, 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.

Depreciation

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

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Straight line	40 years
Plant & equipment	Straight line / Diminishing value	1 - 20 years
Motor vehicles	Diminishing value	3 - 5 years

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

(h) Intangible Assets

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

Amortisation

Intangible assets 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:

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) 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, cash and cash equivalents, leases.

Sub-note (i) and (j) 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

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.

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.

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

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.

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.

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

(j) 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.

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 2025.

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.

(k) Issued Capital

Ordinary Shares

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.

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2024 that are expected to have a significant impact on the Company's financial statements.

Notes to the financial statements (continued)

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(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
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors.

(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 3(g) & (h) - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 24 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Notes to the financial statements (continued)

Note 5. Financial Risk Management

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

- credit risk
- liquidity risk
- market 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.

(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.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30-Jun-25		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	97,023	29,199	51,784	16,040

(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 is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Notes to the financial statements (continued)

Note 5. Financial Risk Management (*continued*)

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 \$306,451 at 30 June 2025 (2024: \$243,622). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. 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:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) 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 2025 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.

Notes to the financial statements (continued)

Note 7. Revenue From Contracts With Customers

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.

	2025 \$	2024 \$
Revenue		
- Revenue from contracts with customers	1,387,898	1,435,244
Disaggregation of Revenue From Contracts With Customers		
- Margin income	1,023,713	1,025,851
- Fee income	51,755	53,886
- Commission income	312,430	355,507
	1,387,898	1,435,244

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.

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2025 \$	2024 \$
Other Revenue		
- Dividends - franked - Bendigo Bank Ltd	2,867	2,656
- Rent received	3,782	3,727
- Other revenue	8,892	264
	15,541	6,647

Note 9. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025 \$	2024 \$
Finance Income		
At amortised cost:		
- Interest from term deposits	11,057	8,579
	11,057	8,579

Notes to the financial statements (continued)

Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2025 \$	2024 \$
Employee Benefits Expense		
- Wages & salaries	554,076	483,009
- Superannuation costs	76,395	66,032
- Other expenses related to employees	27,687	29,738
	658,158	578,778

(b) Depreciation & Amortisation Expense

	2025 \$	2024 \$
Depreciation of Non-current Assets		
- buildings	3,351	3,257
- leasehold improvements	10,333	10,129
- plant and equipment	9,511	6,393
- motor vehicles	12,977	9,373
	36,172	29,152
Depreciation of Right-of-use Assets		
- leased buildings	19,890	10,230
	19,890	10,230
Amortisation of Intangible Assets		
- franchise fees	26,298	26,297
- borrowing costs	137	177
	26,435	26,474
Total depreciation & amortisation expense	82,497	65,856

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2025 \$	2024 \$
Finance Costs		
- Interest paid	4,814	7,180
	4,814	7,180

Finance costs are recognised as expenses when incurred using the effective interest rate.

Notes to the financial statements (continued)

Note 10. Expenses (continued)

(d) 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).

	Note	2025 \$	2024 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		44,688	40,408
- Contribution to the Community Enterprise Foundation™	10(e)	228,760	368,000
		273,448	408,408

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.

(e) 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.

	Note	2025 \$	2024 \$
Disaggregation of CEF Funds			
Opening balance		753,327	445,142
Contributions paid	10(d)	228,760	368,000
Grants paid out		(25,000)	(60,000)
Grants returned		60,000	-
Interest received		36,390	18,583
Management fees incurred		(11,437)	(18,398)
Balance available for distribution		1,042,040	753,327

Notes to the financial statements (continued)

Note 11. Income Tax Expense

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.

(a) The Components of Tax Expense

	2025 \$	2024 \$
Current tax expense	33,914	34,945
Deferred tax expense	(2,566)	(2,568)
Over provision of prior years	(1,139)	(13,626)
	30,209	18,751

(b) *Prima Facie* Tax Payable

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

	2025 \$	2024 \$
Prima facie tax on profit before income tax at 25% (2024: 25%)	28,791	28,898
Add Tax Effect Of:		
- Movement in deferred tax	(2,566)	(2,568)
- Temporary differences @ 25%	4,816	5,763
- Over provision of prior years	(1,139)	(13,626)
- Franking credit gross up	307	284
Income tax attributable to the entity	30,209	18,751
The applicable weighted average effective tax rate is:	26.23%	16.22%

Notes to the financial statements (continued)

Note 12. Cash & Cash Equivalents

	2025 \$	2024 \$
Cash at bank and on hand	306,451	243,622
	306,451	243,622

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.

Note 13. Trade & Other Receivables

	2025 \$	2024 \$
Current		
Trade receivables	125,161	132,184
Other receivables	3,907	3,496
GST Receivable	-	15,002
	129,068	150,681

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.

Note 14. Financial Assets

	2025 \$	2024 \$
At FVTOCI		
Listed investments	60,030	51,618
	60,030	51,618

Note 15. Other Assets

	2025 \$	2024 \$
Prepayments	4,762	7,583
Security bond	1,652	352
	6,414	7,935

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.

Notes to the financial statements (continued)

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2025 \$			2024 \$		
	At Cost / Valuation	Accumulated Depreciation	Carrying Amount	At Cost / Valuation	Accumulated Depreciation	Carrying Amount
Land at fair value	14,240	-	14,240	14,240	-	14,240
Buildings at fair value	136,217	6,778	129,439	130,297	3,427	126,870
Leasehold improvements	97,012	67,721	29,291	92,735	57,388	35,347
Plant & equipment	197,706	143,579	54,127	165,767	134,068	31,699
Motor vehicles	76,638	36,822	39,816	75,725	23,845	51,880
Total	521,813	254,900	266,913	478,763	218,728	260,036

(b) Movements in Carrying Amounts

2025	Land \$	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	14,240	126,870	35,347	31,699	51,880	260,036
Additions	-	5,920	4,277	31,939	913	43,049
Depreciation expense	-	(3,351)	(10,333)	(9,511)	(12,977)	(36,172)
Closing carrying value	14,240	129,439	29,291	54,127	39,816	266,913

2024	Land \$	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	14,240	130,127	45,476	31,485	35,138	256,466
Additions	-	-	-	6,607	26,115	32,722
Depreciation expense	-	(3,257)	(10,129)	(6,393)	(9,373)	(29,152)
Closing carrying value	14,240	126,870	35,347	31,699	51,880	260,036

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: 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.

Notes to the financial statements (continued)

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2025		2024	
	Leased Buildings \$	Total ROU Asset \$	Leased Buildings \$	Total ROU Asset \$
Leased asset	106,239	106,239	119,376	119,376
Accumulated Depreciation	(29,835)	(29,835)	(21,437)	(21,437)
	76,404	76,404	97,939	97,939

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Net carrying amount as at 1 July 2024	97,939	97,939
Addition of new lease	38,769	38,769
Revaluation of lease	(40,415)	(40,415)
Depreciation expense	(19,890)	(19,890)
Net carrying amount	76,404	76,404

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2025 \$	2024 \$
Depreciation expense related to right-of-use assets	19,890	10,230
Interest expense on lease liabilities	4,347	6,090
	24,237	16,320

Notes to the financial statements (continued)

Note 18. Intangible Assets

(a) Carrying Amounts

	2025 \$			2024 \$		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fees	170,485	113,506	56,979	170,485	87,208	83,277
Establishment fees	83,044	83,044	-	83,044	83,044	-
Borrowing Costs	379	314	65	379	177	202
	253,908	196,863	57,044	253,908	170,429	83,478

(b) Movements in Carrying Amounts

2025	Franchise Fees \$	Borrowing Costs \$
Opening carrying value	83,277	202
Amortisation expense	(26,298)	(137)
Closing carrying value	56,979	65

2024	Franchise Fees \$	Establishment Fees \$
Opening carrying value	109,574	-
Additions	-	379
Amortisation expense	(26,297)	(177)
Closing carrying value	83,277	202

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2025 \$	2024 \$
Income tax payable/(refundable)	(1,423)	(827)

Notes to the financial statements (continued)

Note 19. Tax Assets & Liabilities (*continued*)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2025 \$
Deferred Tax Assets				
- Expense accruals	450	77	-	527
- ROU assets and lease liabilities from AASB16	3,363	(1,059)	-	2,304
- Property, plant & equipment	-	3,003	-	3,003
- Employee provisions	29,531	(925)	-	28,606
Total deferred tax assets	33,344	1,096	-	34,440
Deferred Tax Liabilities				
- Financial assets carried at FVTOCI	(1,135)	-	(1,387)	(2,522)
- Accrued income	(874)	97	-	(777)
- Property, plant & equipment	(2,227)	2,227	-	-
Total deferred tax liabilities	(4,236)	2,324	(1,387)	(3,299)
Net deferred tax assets	29,107	3,420	(1,387)	31,140

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2024 \$
Deferred Tax Assets				
- Expense accruals	326	124	-	450
- ROU assets and lease liabilities from AASB16	2,445	918	-	3,363
- Employee provisions	25,638	3,893	-	29,531
Total deferred tax assets	28,409	4,935	-	33,344
Deferred Tax Liabilities				
- Financial assets carried at FVTOCI	(497)	-	(638)	(1,135)
- Accrued income	-	(874)	-	(874)
- Financial assets carried at FVTPL	(8,246)	8,246	-	-
- Property, plant & equipment	(6,753)	4,526	-	(2,227)
Total deferred tax liabilities	(15,496)	11,898	(638)	(4,236)
Net deferred tax assets	12,913	16,833	(638)	29,107

Notes to the financial statements (continued)

Note 20. Trade & Other Payables

	2025 \$	2024 \$
Current		
Trade creditors	21,702	23,880
Other creditors and accruals	74,188	69,542
Franchise fee payable	28,928	28,928
GST payable	3,168	-
	127,986	122,351
Non-Current		
Franchise fee payable	28,928	57,856
	28,928	57,856

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.

Note 21. Borrowings

	2025 \$	2024 \$
Current		
Secured Liabilities		
Bank loan	40	59
Finance leases	4,443	10,896
	4,483	10,955
Non-Current		
Secured Liabilities		
Finance leases	761	5,204
	761	5,204
Total borrowings	5,244	16,159

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Partnership has one finance lease which is subject to normal terms and conditions. The current interest rate is 4.76%. This loan has been created to fund a motor vehicle and is secured against the asset and which is recorded at amortised cost.

Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rates used on recognition were 6.14% (Hillston and Griffith Branches) and 4.94% (Hay Branch).

Notes to the financial statements (continued)

Note 22. Lease Liabilities (continued)

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Hillston Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in September 2019. The lease originally had two further five year extension options available. The lease was modified in September 2024 for a further two year extension which has been exercised, and has a further one year extension option available.
Hay Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in May 2017. The lease has two further five year extension options available, the first of which has been exercised.
Griffith Branch	The lease agreement is a non-cancellable lease with an initial term of two years which commenced in November 2024. The lease has a further one year extension option available.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 \$	2024 \$
Current	25,165	8,826
Non-current	60,455	100,434
	85,620	109,260

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2025					
Lease payments	29,199	22,927	28,857	16,040	97,023
Finance charges	(4,034)	(2,654)	(3,964)	(751)	(11,403)
Net present values	25,165	20,273	24,893	15,289	85,620
30 June 2024					
Lease payments	14,453	14,728	45,945	64,117	139,242
Finance charges	(5,627)	(5,140)	(12,092)	(7,123)	(29,982)
Net present values	8,826	9,587	33,853	56,994	109,260

Notes to the financial statements (continued)

Note 22. Lease Liabilities (*continued*)

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2025 \$	2024 \$
Leases of low value assets	-	1,053
	-	1,053

At 30 June 2025, the Company had no commitments to short-term lease.

Total cash outflows for low-value leases for the year ended 30 June 2025 was \$0 (2024: \$1,053).

Note 23. WRCFS Interest

	2025 \$	2024 \$
WRCFS Partnership Distribution	(451,006)	(368,156)
WRCFS Employee adjustment period ending 31/12/12	9,378	9,378
40% WRCFS Net Assets 30 June 2025	517,768	430,144
	76,140	71,366

Hillston & District Community Financial Services Limited is a 40% partner in the Western Riverina Community Financial Services Partnership, a partnership operated with Coleambally Finance Group Limited. The franchise operations of Coleambally Finance Group Limited and Hillston & District Financial Services Limited are operated jointly by the Western Riverina Community Financial Services Partnership. Each partner records its share of revenue, expenses, assets and liabilities of the partnership.

Note 24. Employee Benefits

	2025 \$	2024 \$
Current		
Provision for annual leave	38,925	47,338
Provision for long service leave	58,494	54,542
	97,419	101,880
Non-Current		
Provision for long service leave	17,007	16,244
	17,007	16,244

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.

Notes to the financial statements (continued)

Note 25. Issued Capital

(a) Issued Capital

	2025		2024	
	Number	\$	Number	\$
Ordinary shares - fully paid	618,830	618,830	618,830	618,830
	618,830	618,830	618,830	618,830

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.

(b) Movements in share capital

	2025 \$	2024 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	618,830	618,830
At the end of the reporting period	618,830	618,830

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.

Note 26. Retained Earnings

	2025 \$	2024 \$
Balance at the beginning of the reporting period	(226,109)	(304,379)
Profit for the year after income tax	84,954	96,839
Dividends Paid	(21,659)	(18,565)
Prior period adjustment	-	(4)
Balance at the end of the reporting period	(162,814)	(226,109)

Note 27. Reserves

	2025 \$	2024 \$
<i>Asset Revaluation Reserve</i>		
Balance at the beginning of the reporting period	37,407	24,626
Fair value movements of financial assets	3,121	12,781
Balance at the end of the reporting period	40,528	37,407

The reserves represent undistributable gains recognised on the revaluation of non-current assets.

Notes to the financial statements (continued)

Note 28. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2025 \$	2024 \$
Cash and cash equivalents	12	306,451	243,622
As per the Statement of Cash Flows		306,451	243,622

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

	2025 \$	2024 \$
Profit for the year after income tax	84,954	96,839
Non-cash flows in profit		
- Depreciation	56,063	39,382
- Amortisation	26,435	26,474
- Fair value increases	(778)	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	6,612	16,143
- Increase in prepayments and other assets	1,521	(6,238)
- (Increase) / decrease in deferred tax asset	(2,034)	(16,194)
- Increase / (decrease) in trade and other payables	(1,021)	(11,688)
- Increase / (decrease) in current tax assets	(596)	(16,534)
- Increase in other liabilities	26,432	29,910
- Increase in provisions	(3,701)	4,459
Net cash flows from operating activities	193,887	162,553

Note 29. Financial Instruments

The following 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	2025 \$	2024 \$
Financial Assets			
Trade and other receivables	13	129,068	150,681
Cash and cash equivalents	12	306,451	243,622
		435,519	394,304
Financial Liabilities			
Trade and other payables	20	156,914	180,206
Borrowings	21	5,244	16,159
Lease liabilities	22	85,620	109,260
		247,778	305,625

Notes to the financial statements (continued)

Note 30. Related Parties

(a) 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.

(b) 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.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Transactions With Key Management Personnel & Related Parties

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

(e) Key Management Personnel Shareholdings

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.

(f) Other Key Management Transactions

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

Note 31. Auditor's Remuneration

The appointed auditor of Hillston and District Financial Services Ltd for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit Services		
Audit of financial statements (RSD Audit)	5,160	4,840
Total auditor's remuneration	5,160	4,840

Notes to the financial statements (continued)

Note 32. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2025		2024	
	Number	\$	Number	\$
Fully franked dividend	618,830	21,659	618,830	18,565
Dividends provided for and paid during the year	618,830	21,659	618,830	18,565

The tax rate at which dividends have been franked is 25% (2024: 25%).

Note 33. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025	2024
	\$	\$
Profit attributable to ordinary shareholders	84,954	96,839
	Number	Number
Weighted average number of ordinary shares	618,830	618,830
	¢	¢
Basic and diluted earnings per share	13.73	15.65

Note 34. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 35. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 36. Company Details

The registered office of the Company is:

Hillston and District Financial Services Ltd	174 High Street, Hillston NSW 2675.
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The principal places of business are:

Hillston Branch	174 High Street, Hillston NSW 2675.
Hay Branch	186 Lachlan Street, Hay NSW 2711.

Notes to the financial statements (continued)

Note 36. 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:

- freehold land and buildings
- listed investments.

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

(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.

Notes to the financial statements (continued)

Note 36. Fair Value Measurements (continued)

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:

	30 June 2025			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land	-	5,080	9,160	14,240
Buildings	-	92,547	40,241	132,788
	-	97,627	49,401	147,028
Financial Assets				
Listed investments	60,030	-	-	60,030
	60,030	-	-	60,030

	30 June 2024			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land	-	5,080	9,160	14,240
Buildings	-	92,547	34,321	126,869
	-	97,627	43,481	141,109
Financial Assets				
Listed investments	51,618	-	-	51,618
	51,618	-	-	51,618

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 (2024: 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.

Notes to the financial statements (continued)

Note 36. Fair Value Measurements (continued)

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.

Valuation Techniques & Inputs - Level 2 Fair Values

Asset	Fair Value at 30 June 2025 \$	Valuation Techniques	Inputs Used
1 Brolga Place, Coleambally	97,627	Market approach	Sales evidence. Unit of value by comparative basis (\$ per sqm).

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Company to determine Level 2 fair values.

Valuation Techniques & Inputs - Level 3 Fair Values

Asset	Fair Value at 30 June 2025 \$	Valuation Techniques	Significant Unobservable Inputs
31-33 Brolga Place, Coleambally	49,401	Capitalisation of income based on current rent.	Annual rental income.

(c) Reconciliation of Recurring Level 2 & 3 Fair Value Measurements

Level 2	Freehold Land \$	Buildings \$
Balance at the beginning of the year	5,080	92,547
Balance at the end of the year	5,080	92,547

Level 3	Freehold Land \$	Buildings \$
Balance at the beginning of the year	9,160	34,321
Additions during the year	-	5,920
Balance at the end of the year	9,160	40,241

Consolidated Entity Disclosure Statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Hillston and District Financial Services Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

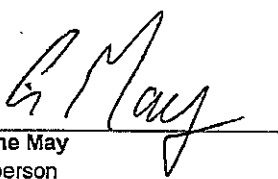
For the year ended 30 June 2025

In accordance with a resolution of the directors of Hillston and District Financial Services Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are 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 performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) 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
- (c) The information disclosed in the attached consolidated entity disclosure statement on page 48 is true and correct.

This declaration is made in accordance with a resolution of the board of directors.


Graeme May
Chairperson

Dated this 24th day of September, 2025

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HILLSTON & DISTRICT FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Hillston & District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Hillston & District 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 and its cash flows for the year then ended; and
- (ii) 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Director's Responsibility for the Financial Report

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

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (iii) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (iv) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

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Other Information

Those charged with governance 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 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

RSD Audit
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

Mahesh Silva
Partner
Bendigo
Dated: 24 September 2025

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