

Inverloch & District Financial Enterprises Limited

ABN 13 117 672 590

Half-year Financial Report - 31 December 2025

Inverloch & District Financial Enterprises Limited

Directors' report

31 December 2025

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2025.

Directors

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

Mark Gerard McCormack
Tristan Andrew Creed
Susan Joy Ruffin
Kerralie Joy Shaw

Robert Noel Murphy
Louise Martin-Litchfield
Nanette Gibson
Kerrie Ann Giles

Principal activity

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

Review of operations

The profit for the company after providing for income tax amounted to \$42,019 (31 December 2024: \$109,827).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

The company's franchise agreement with Bendigo Bank expires during March 2026. The directors are in ongoing negotiations with Bendigo Bank regarding renewal of the agreement and have a reasonable expectation that a new agreement will be entered into on mutually acceptable terms and conditions, prior to expiration of the current agreement. Upon renewal, fees totalling \$72,543 (exc GST) will be recognised as intangible assets and are payable to Bendigo Bank over five annual instalments.

The company's lease agreement on its branch premises expires during March 2026. The directors are in ongoing negotiations with the landlord to exercise an option to extend the lease for a further five-year period. Upon renewal of the lease a remeasurement of the lease liability, right-of-use-asset and make-good provision will be recognised in accordance with AASB 16.

Adjustments in relation to the above matters will be reflected in the financial statements for the subsequent reporting period.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Gerard McCormack
Chair

24 February 2026



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

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Inverloch & District Financial Enterprises Limited

I declare that, to the best of our knowledge and belief, during the half-year ended 31 December 2025 there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 24 February 2026

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

Adrian Downing
Lead Auditor

Inverloch & District Financial Enterprises Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31-Dec-25 \$	31-Dec-24 \$
Revenue from contracts with customers	3	431,207	443,812
Finance revenue		21,125	25,404
Total revenue		<u>452,332</u>	<u>469,216</u>
Employee benefits expense		(212,420)	(203,691)
Advertising and marketing costs		(11,942)	(8,131)
Occupancy and associated costs		(13,511)	(10,317)
Systems costs		(9,768)	(9,421)
Depreciation and amortisation expense		(42,075)	(36,691)
Finance costs		(354)	(1,135)
General administration expenses		(61,794)	(49,480)
Total expenses before community contributions and income tax		<u>(351,864)</u>	<u>(318,866)</u>
Profit before community contributions and income tax expense		100,468	150,350
Charitable donations, sponsorships and grants expense		<u>(43,994)</u>	<u>(3,536)</u>
Profit before income tax expense		56,474	146,814
Income tax expense		<u>(14,455)</u>	<u>(36,987)</u>
Profit after income tax expense for the half-year		42,019	109,827
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>42,019</u></u>	<u><u>109,827</u></u>
		Cents	Cents
Basic earnings per share		5.60	14.64
Diluted earnings per share		5.60	14.64

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

Inverloch & District Financial Enterprises Limited
Statement of financial position
As at 31 December 2025

	31-Dec-25 \$	30-Jun-25 \$
Assets		
Current assets		
Cash and cash equivalents	41,856	79,215
Trade and other receivables	86,034	82,194
Investments	1,000,000	1,000,000
Total current assets	<u>1,127,890</u>	<u>1,161,409</u>
Non-current assets		
Property, plant and equipment	37,993	43,921
Right-of-use assets	9,327	38,416
Intangibles	3,028	9,360
Total non-current assets	<u>50,348</u>	<u>91,697</u>
Total assets	<u>1,178,238</u>	<u>1,253,106</u>
Liabilities		
Current liabilities		
Trade and other payables	30,971	39,180
Lease liabilities	13,546	35,791
Current tax liabilities	6,902	8,119
Employee benefits	13,105	7,236
Total current liabilities	<u>64,524</u>	<u>90,326</u>
Non-current liabilities		
Deferred tax liabilities	1,571	6,518
Employee benefits	218	105
Total non-current liabilities	<u>1,789</u>	<u>6,623</u>
Total liabilities	<u>66,313</u>	<u>96,949</u>
Net assets	<u>1,111,925</u>	<u>1,156,157</u>
Equity		
Issued capital	729,547	729,547
Retained earnings	382,378	426,610
Total equity	<u>1,111,925</u>	<u>1,156,157</u>

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

Inverloch & District Financial Enterprises Limited
Statement of changes in equity
For the half-year ended 31 December 2025

	Note	Issued capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2024		729,547	381,106	1,110,653
Profit after income tax expense		-	109,827	109,827
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	109,827	109,827
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	4	-	(86,251)	(86,251)
Balance at 31 December 2024		<u>729,547</u>	<u>404,682</u>	<u>1,134,229</u>
Balance at 1 July 2025		729,547	426,610	1,156,157
Profit after income tax expense		-	42,019	42,019
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	42,019	42,019
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	4	-	(86,251)	(86,251)
Balance at 31 December 2025		<u>729,547</u>	<u>382,378</u>	<u>1,111,925</u>

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

Inverloch & District Financial Enterprises Limited
Statement of cash flows
For the half-year ended 31 December 2025

	Note	31-Dec-25 \$	31-Dec-24 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		469,172	488,291
Payments to suppliers and employees (inclusive of GST)		(400,510)	(320,901)
Interest received		24,173	26,297
Income taxes paid		(20,619)	(36,500)
		<u>72,216</u>	<u>157,187</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(725)	(6,990)
		<u>(725)</u>	<u>(6,990)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(354)	(3,642)
Dividends paid	4	(86,251)	(86,251)
Repayment of lease liabilities		(22,245)	(31,327)
		<u>(108,850)</u>	<u>(121,220)</u>
Net increase/(decrease) in cash and cash equivalents		(37,359)	28,977
Cash and cash equivalents at the beginning of the financial half-year		79,215	34,241
		<u>41,856</u>	<u>63,218</u>

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

Inverloch & District Financial Enterprises Limited
Notes to the financial statements
31 December 2025

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Economic dependency

The company is economically dependent on its franchise agreement with Bendigo Bank to generate revenue. The current agreement is set to expire within 12 months from the date of this financial report, in March 2026. The directors are in ongoing negotiations with Bendigo Bank regarding the renewal of the franchise agreement; however, no formal agreement or letter of support has been obtained as at the date of this report.

As a result, there is material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Notwithstanding this uncertainty, the financial report has been prepared on a going concern basis, as the directors have a reasonable expectation that a new agreement will be entered into on mutually acceptable terms and conditions before the expiration of the current franchise agreement.

Note 3. Revenue from contracts with customers

	31-Dec-25	31-Dec-24
	\$	\$
Margin income	379,564	391,855
Fee income	21,442	22,444
Commission income	<u>30,201</u>	<u>29,513</u>
Revenue from contracts with customers	<u><u>431,207</u></u>	<u><u>443,812</u></u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

Note 4. Dividends

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

	31-Dec-25	31-Dec-24
	\$	\$
Fully franked dividend of 11.5 cents per share (31-Dec-24: 11.5 cents)	<u><u>86,251</u></u>	<u><u>86,251</u></u>

The tax rate at which dividends have been franked is 25%.

Note 5. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

Inverloch & District Financial Enterprises Limited
Notes to the financial statements
31 December 2025

Note 6. Related party transactions

The company has related party transactions that include payments to not-for-profit organisations affiliated with certain directors. These related party transactions are consistent with those disclosed in the company's financial report for the year ended 30 June 2025. There have been no significant changes to the nature or amount of these related party transactions during the half-year ended 31 December 2025.

Note 7. Events after the reporting date

The company's franchise agreement with Bendigo Bank expires during March 2026. The directors are in ongoing negotiations with Bendigo Bank regarding renewal of the agreement and have a reasonable expectation that a new agreement will be entered into on mutually acceptable terms and conditions, prior to expiration of the current agreement. Upon renewal, fees totalling \$72,543 (exc GST) will be recognised as intangible assets and are payable to Bendigo Bank over five annual instalments.

The company's lease agreement on its branch premises expires during March 2026. The directors are in ongoing negotiations with the landlord to exercise an option to extend the lease for a further five-year period. Upon renewal of the lease a remeasurement of the lease liability, right-of-use-asset and make-good provision will be recognised in accordance with AASB 16.

Adjustments in relation to the above matters will be reflected in the financial statements for the subsequent reporting period.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Inverloch & District Financial Enterprises Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Gerard McCormack
Chair

24 February 2026



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's review report to the Directors of Inverloch & District Financial Enterprises Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Inverloch & District Financial Enterprises Limited (the company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Inverloch & District Financial Enterprises Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

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



Andrew Frewin Stewart
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03 5443 0344

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 24 February 2026

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

Adrian Downing
Lead Auditor