

Annual Report 2025

Keppel Financial
Services Limited

Community Bank
Emu Park and Yeppoon

ABN 41 113 396 768



Contents

Chairperson's report	2
Manager's report	3
Bendigo and Adelaide Bank report	4
Community Bank National Council report	5
Directors' report	6
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	16
Directors' declaration	33
Independent audit report	34

Chairperson's report

For year ending 30 June 2025

Keppel Financial Services Limited (Franchisee of Bendigo Community Bank Emu Park and Bendigo Community Bank Yeppoon) celebrates twenty years of operation on 26 October. I am pleased to report we have completed another successful year providing banking and insurance services to the Capricorn Coast Community. As shareholders you can be proud of the contribution we have made to the community and upholding the reputation as one of Australia's most trusted brands.

Last year the Board made the decision to upgrade the Community Bank Yeppoon Branch from restricted operating hours to a fulltime banking service. With the influx of new residents, housing construction and business growth in the greater Yeppoon area this strategy has proved valuable. It positions us to capitalise even further as some of our competitors are downsizing their operations. The southern end of the Capricorn Coast is also experiencing strong growth. The Community Bank Emu Park is in the enviable position of taking advantage of this growth by leveraging of our prominent position built over the past twenty years as the only local bank operating in the area.

We are always looking for new and innovative ways to grow your business. As shareholders I implore you to promote the bank whenever the opportunity arises. If every shareholder referred one customer, imagine the growth impact. Our Branch Manager Bob McKewen and his staff are always available to discuss products and services as well as enlighten the public on the community benefits that come from banking with Community Bank.

The Board of Directors has a depth of experience both in business and community involvement. Their expertise and dedicated stewardship provide a well governed entity working for the best interests of you the shareholders and your community. We continue to work closely with Bendigo Bank Limited on ways to improve the customer experience. It is evident by the feedback we receive that our customer service and community involvement is well regarded, and I would like to thank both the staff and the Board for their support and commitment to promoting both Community Bank Emu Park and Community Bank Yeppoon as a well-known and respected corporate citizens.

On behalf of the Board, I sincerely thank all our shareholders for your ongoing support as we move into our third decade of operation.

Regards,

Andrew Morris CFP Adv Dip Fin Planning
Chairperson

Manager's report

For year ending 30 June 2025

The financial year ending 30 June 2025 has been a year of challenges and achievements for Keppel Financial Services Limited. Community Bank Emu Park & Community Bank Yeppoon have been able to deliver a great performance for the financial year. The figures presented below are the consolidated figures representing the company result for both branches.

Lending Approvals for the 2024/25 year increased by 4.1% to \$18.424 million and the Balance of Total Lending as at 30/06/25 increased by 11.7% to \$56.3 million. The Balance of Total Deposits increased by 8.7% to \$101.0 million. Total Business Size grew by 10.5% from the previous year to \$177.5 million. Community Bank Emu Park and Community Bank Yeppoon have also contributed to the company result with sale of general insurance products throughout the year. Commission on sales of insurance and similar products provides an important contribution to the company's financial result.

In the last financial year, the local real estate market has maintained steady demand and elevated pricing, and the last half of the financial year saw interest rates start to ease. This has maintained a very competitive environment for loans and deposits.

The continuation of improved property prices also assisted many of our customers to sell their properties. When a mortgaged property is sold, the bank processes a Mortgage Discharge to the value of the debt being paid out. Discharges for the 2024/25 FY reduced by 20.3% to \$8.634 million. This has had a negative effect on lending growth but also boosted deposit growth.

Our major point of difference at Community Bank Emu Park and Community Bank Yeppoon is the level of support and sponsorship provided to our local community. The amount of funds available for community sponsorship is linked directly to the financial performance of the branches which, in turn, reflects the level of support the branches receive from the local community.

The branch team continue to attract compliments for their high service standards and customer care and undergo constant training to deliver high customer service. I thank all our staff, Miranda Findley, Gayle Pidd, Kerrie Joseph, Abbey Cruickshank, Nature Pulevaka, Emma Wallis and Pene O'Dea and Jo Hannath for their professionalism and dedication. Without a Board of Directors there would be no Community Bank, they are essential to the business. The Board Directors of your Community Bank branches volunteer their time and energy to provide stability, guidance and leadership to an enterprise that ultimately benefits the whole community and protects your investment. I sincerely thank the Board for their considerable contribution to the ongoing success of the company.

Please consider recommending Community Bank Emu Park and Community Bank Yeppoon to your family and friends and members of any local community groups whenever the opportunity arises. As well as comprehensive consumer and business banking products, our branches have access to expertise in the areas of Business Banking, Rural Finance, Money Markets, Foreign Exchange and can provide over the counter sales of General Insurance products and referrals for Commercial Insurance.

The Community Bank model has a proven record in numerous small communities, and, I believe, there is good opportunity locally for substantial further business growth. This growth will flow directly back into the community in the form of sponsorship and benefits to the local economy as well as shareholder returns. The level of growth is entirely dependent on the level of support from the community, and I would encourage all customers, shareholders, Board members and staff to talk about and recommend the Community Bank to their family, friends, colleagues, and associates.

Bob McKewen
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

In FY25, more than \$50 million was invested in local communities, adding to a total of and \$416 million since 1998. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your resilience, adaptability, and unwavering belief in our vision have been instrumental in our success. You are an integral part of the Bendigo Bank Community Banking family.

Your continued support is vital, and the results we've achieved together in 2025 underscore the continuing relevance and importance of the Community Bank model.

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



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

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

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

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

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

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

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

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

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

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

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

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

Community Bank National Council

Directors' report

30 June 2025

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

Directors

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

Name:	Andrew William Harold Morris
Title:	Non-executive director
Experience and expertise:	Andrew is a retired Certified Financial Planner (CFP® Retired) with an Advanced Diploma in Financial Planning (Adv Dip FP). Prior to retiring in 2013, Andrew was a Principal Equity Partner at Moore Stephens (Queensland) Accountants and Advisors, where he oversaw the Wealth Management Division across six offices. Andrew began his career with the AMP Society in 1983 and held several management roles at AMP and AXA before joining Moore Stephens. Following retirement, Andrew transitioned into part-time work as a Business Consultant. He currently serves as a Board Member of the Iwasaki Foundation Limited, contributing to the Finance Committee.
Special responsibilities:	Chair
Name:	Phillip Andre Luzzi
Title:	Non-executive director
Experience and expertise:	Phillip is currently retired and was previously a Clerk (Metropolitan Meat Industry Board (Homebush Bay NSW)). Senior Nursing Administrator (Hunter Area Health Services NSW). Director - ROBPHI Pty. Ltd. Founder, Owner and Director of Clever Kids Capricornia (Tuition Business Rockhampton). President of Emu Park RSL Sub-Branch Inc. (2013-2016). Vice President - RSL Pioneer-Fitzroy-Highlands District Inc.. Welfare Advocate - Pioneer-Fitzroy-Highlands District Inc. Member of Steering Committee Centenary of ANZAC Project Emu Park (2013 - 2015). Diploma of Health Science. Bachelor of Science (Maj.IT). Governance - Australian Institute of Company Directors. Extensive PC skills. Leadership and Negotiating skills. Team Player and excellent communication skills. Chairman - Keppel Financial Services.
Special responsibilities:	Business Development, HR, Share Registry, Property and Risk Committee Member
Name:	Ian Peter Chambers
Title:	Non-executive director
Experience and expertise:	Ian is currently a Cleaner/Trustee. Business experience as a Grazier and Motelier. Has a Diploma of Business.
Special responsibilities:	Business Development, Sponsorship, HR, Share Registry and Risk Committee Member
Name:	John Francis McKenna
Title:	Non-executive director
Experience and expertise:	John is a Director of McKenna Enterprises Pty Ltd. Past Treasurer of the Tenpin Bowling Association Queensland Inc., Treasurer of Rockhampton Junior Tenpin Bowling Association Inc. Past Secretary of Rockhampton Benevolent Homes Inc. Past Treasurer of Tenpin Bowling Association of Queensland Inc. Past Chairman of St Brendan's College Foundation Limited. Past Manager & Proprietor of Rockybowl & Leisure Centre.
Special responsibilities:	Business Development and Sponsorship Committee Member
Name:	Kevin Thomas Hogan
Title:	Non-executive director
Experience and expertise:	Managing Director of Keppel Investments Pty Ltd. Board Chair of Benevolent Home Inc. Past Chair Advisory Board Capricornia Correction Centre. Treasurer of Crime Stoppers QLD, Rockhampton area committee. Parish Manager Park Avenue Catholic Parish. Member of Catholic Diocesan Finance Council. Past Treasurer Justice of Peace. Past Treasurer of Rockhampton Chamber of Commerce.
Special responsibilities:	Business Development and Property Committee Member

Directors' report (continued)

Name:	Brooke Elizabeth Roberts
Title:	Non-executive director
Experience and expertise:	Has worked in the accounting industry for 16+ years, graduating from CQU with a Bachelor of Business - Accounting in 1999. Commenced employment in a small rural accounting practice and CPA studies. Worked for a reputable practice in Rockhampton for 14 years. Received CPA designation in July 2005, and was awarded a fellowship with CPA Australia in March of 2016. Started accounting practice in Emu Park in October 2014 and operated as a sole practitioner specialising in taxation, accounting and business consultancy services. On 1 July 2016, merged with another sole practitioner bringing existing businesses together under the one banner. Now operate and manage in two locations with 5 staff. Was heavily involved with the local surf lifesaving club as a junior and went on to provide audit and accounting services for the Club.
Special responsibilities:	Business Development and Sponsorship Committee Member
Name:	Andrew Peter Thompson
Title:	Non-executive director
Experience and expertise:	Andrew is a technology architect, and Director of a private cafe and a private engineering consultancy business. Andrew holds a BEng (Mech) (Hons).
Special responsibilities:	Business Development Committee Member
Name:	Sharon Lee Delaney
Title:	Non-executive director
Experience and expertise:	Sharon has as Bachelor of Business-Management (Marketing) and has over 35 years' experience in business and marketing. Sharon commenced her career in Marketing and Market Research, consulting to both SMB and State and Federal Government. She then moved to State and National roles for MBF (now BUPA) and since then has worked extensively in her own businesses in the telecommunications, property development, direct selling and hospitality industries
Special responsibilities:	Marketing and Sponsorship Committee Member
Name:	Brian Phelan
Title:	Non-executive director (appointed 19 February 2025)
Experience and expertise:	Brian has over 30 years of experience in IT project management, specialising in large-scale ERP system implementations. He holds a Bachelor of Business (Information Technology) and a Graduate Diploma of Management. Brian is also actively involved in various sports clubs throughout Central Queensland.
Special responsibilities:	Business Development Committee Member

Company secretary

The company secretary is Ian Peter Chambers. Ian was appointed to the position of secretary on 5 July 2018.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$15,071 (2024: \$114,022).

Operations have continued to perform in line with expectations.

Directors' report (continued)

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 9 cents per share (2024: 8 cents)	60,454	53,737

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Sponsorship Committee		Risk Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Andrew William Harold Morris	11	9	-	-	10	9
Phillip Andre Luzzi	11	8	-	-	10	8
Ian Peter Chambers	11	10	2	2	10	10
John Francis McKenna	11	10	2	2	10	10
Kevin Thomas Hogan	11	9	-	-	10	9
Brooke Elizabeth Roberts	11	9	-	-	10	9
Andrew Peter Thompson	11	6	-	-	10	6
Sharon Lee Delaney	11	8	-	-	10	8
Brian Phelan	5	5	-	-	5	5

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements.

Directors' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Andrew William Harold Morris	-	-	-
Phillip Andre Luzzi	6,000	-	6,000
Ian Peter Chambers	10,500	-	10,500
John Francis McKenna	20,502	-	20,502
Kevin Thomas Hogan	67,171	-	67,171
Brooke Elizabeth Roberts	1,000	-	1,000
Andrew Peter Thompson	-	-	-
Sharon Lee Delaney	-	-	-
Brian Phelan	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 22 to the accounts.

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

Directors' report (continued)

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

Auditor's independence declaration

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

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

On behalf of the directors



Andrew William Harold Morris
Chair

28 October 2025

Auditor's independence declaration



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 October 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Financial statements

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,165,494	1,174,112
Finance revenue		24,708	7,207
Total revenue		<u>1,190,202</u>	<u>1,181,319</u>
Employee benefits expense	7	(664,181)	(506,401)
Advertising and marketing costs		(3,385)	(1,954)
Occupancy and associated costs		(57,556)	(41,852)
System costs		(33,174)	(32,529)
Depreciation and amortisation expense	7	(140,321)	(149,103)
Finance costs		(27,215)	(18,469)
General administration expenses		(102,058)	(95,536)
Total expenses before community contributions and income tax expense		<u>(1,027,890)</u>	<u>(845,844)</u>
Profit before community contributions and income tax expense		162,312	335,475
Charitable donations, sponsorships and grants expense	7	<u>(140,945)</u>	<u>(185,554)</u>
Profit before income tax expense		21,367	149,921
Income tax expense	8	<u>(6,296)</u>	<u>(35,899)</u>
Profit after income tax expense for the year		15,071	114,022
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>15,071</u></u>	<u><u>114,022</u></u>
		Cents	Cents
Basic earnings per share	24	2.24	16.97
Diluted earnings per share	24	2.24	16.97

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	738,117	806,482
Trade and other receivables	10	103,789	104,943
Current tax assets	8	29,199	-
Total current assets		<u>871,105</u>	<u>911,425</u>
Non-current assets			
Property, plant and equipment	11	137,515	187,412
Right-of-use assets	12	493,575	245,974
Intangible assets	13	62,283	89,846
Deferred tax assets	8	42,778	33,164
Total non-current assets		<u>736,151</u>	<u>556,396</u>
Total assets		<u>1,607,256</u>	<u>1,467,821</u>
Liabilities			
Current liabilities			
Trade and other payables	14	145,233	169,589
Lease liabilities	15	82,378	90,147
Current tax liabilities	8	-	10,417
Employee benefits		32,679	35,688
Total current liabilities		<u>260,290</u>	<u>305,841</u>
Non-current liabilities			
Trade and other payables	14	29,645	59,289
Lease liabilities	15	466,620	203,089
Employee benefits		13,833	10,204
Provisions		19,520	26,667
Total non-current liabilities		<u>529,618</u>	<u>299,249</u>
Total liabilities		<u>789,908</u>	<u>605,090</u>
Net assets		<u>817,348</u>	<u>862,731</u>
Equity			
Issued capital	16	638,214	638,214
Retained earnings		<u>179,134</u>	<u>224,517</u>
Total equity		<u>817,348</u>	<u>862,731</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		638,214	164,232	802,446
Profit after income tax expense		-	114,022	114,022
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	114,022	114,022
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	18	-	(53,737)	(53,737)
Balance at 30 June 2024		<u>638,214</u>	<u>224,517</u>	<u>862,731</u>
 Balance at 1 July 2024		 638,214	 224,517	 862,731
Profit after income tax expense		-	15,071	15,071
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	15,071	15,071
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	18	-	(60,454)	(60,454)
Balance at 30 June 2025		<u>638,214</u>	<u>179,134</u>	<u>817,348</u>

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,286,657	1,309,041
Payments to suppliers and employees (inclusive of GST)		(1,142,703)	(847,659)
Interest received		19,676	7,207
Income taxes paid		(55,527)	(105,591)
Net cash provided by operating activities	23	108,103	362,998
Cash flows from investing activities			
Payments for property, plant and equipment	11	(5,610)	(6,690)
Payments for intangible assets		(26,950)	(26,950)
Net cash used in investing activities		(32,560)	(33,640)
Cash flows from financing activities			
Interest and other finance costs paid		(26,036)	(17,102)
Dividends paid	18	(60,454)	(53,737)
Repayment of lease liabilities		(57,418)	(74,356)
Net cash used in financing activities		(143,908)	(145,195)
Net increase/(decrease) in cash and cash equivalents		(68,365)	184,163
Cash and cash equivalents at the beginning of the financial year		806,482	622,319
Cash and cash equivalents at the end of the financial year	9	<u>738,117</u>	<u>806,482</u>

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Unit 7 18-20 Hill Street, Emu Park QLD 4710.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 October 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of non-financial assets

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

Notes to the financial statements (continued)

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the financial statements (continued)

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 5. Economic dependency

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

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,003,792	997,922
Fee income	71,391	78,981
Commission income	90,311	97,209
	<u>1,165,494</u>	<u>1,174,112</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	556,316	416,942
Superannuation contributions	65,702	47,720
Expenses related to long service leave	4,567	6,439
Other expenses	37,596	35,300
	<u>664,181</u>	<u>506,401</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	51,373	53,665
Plant and equipment	4,134	5,445
	<u>55,507</u>	<u>59,110</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>57,251</u>	<u>63,352</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	5,065	3,833
Franchise renewal fee	22,498	22,808
	<u>27,563</u>	<u>26,641</u>
	<u>140,321</u>	<u>149,103</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	90,945	85,554
Contribution to the Community Enterprise Foundation™ (CEF)	50,000	100,000
	<u>140,945</u>	<u>185,554</u>

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

The funds contributed to and held by the CEF are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

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

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	15,910	51,214
Movement in deferred tax	(9,614)	(13,285)
Under/over provision in respect to prior years	-	(2,030)
Aggregate income tax expense	<u>6,296</u>	<u>35,899</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>21,367</u>	<u>149,921</u>
Tax at the statutory tax rate of 25%	5,342	37,480
Tax effect of:		
Non-deductible expenses	954	449
Under/over provision in respect to prior years	-	(2,030)
Income tax expense	<u>6,296</u>	<u>35,899</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	13,299	2,533
Employee benefits	11,628	11,473
Lease liabilities	137,249	73,309
Provision for lease make good	4,880	6,667
Accrued expenses	374	675
Income accruals	(1,258)	-
Right-of-use assets	<u>(123,394)</u>	<u>(61,493)</u>
Deferred tax asset	<u>42,778</u>	<u>33,164</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Income tax refund due	<u>29,199</u>	<u>-</u>
	2025 \$	2024 \$
Provision for income tax	<u>-</u>	<u>10,417</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>738,117</u>	<u>806,482</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	<u>92,557</u>	<u>97,171</u>
Accrued income	5,033	1
Other receivables and accruals	<u>6,199</u>	<u>7,771</u>
	<u>11,232</u>	<u>7,772</u>
	<u>103,789</u>	<u>104,943</u>

Notes to the financial statements (continued)

Note 11. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	477,732	477,732
Less: Accumulated depreciation	(361,096)	(309,723)
	<u>116,636</u>	<u>168,009</u>
Plant and equipment - at cost	122,378	116,768
Less: Accumulated depreciation	(101,499)	(97,365)
	<u>20,879</u>	<u>19,403</u>
	<u><u>137,515</u></u>	<u><u>187,412</u></u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	214,984	24,848	239,832
Additions	6,690	-	6,690
Depreciation	(53,665)	(5,445)	(59,110)
Balance at 30 June 2024	168,009	19,403	187,412
Additions	-	5,610	5,610
Depreciation	(51,373)	(4,134)	(55,507)
Balance at 30 June 2025	<u><u>116,636</u></u>	<u><u>20,879</u></u>	<u><u>137,515</u></u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	5 to 20 years
Plant and equipment	2.5 to 40 years

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

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

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

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	842,232	537,380
Less: Accumulated depreciation	(348,657)	(291,406)
	<u><u>493,575</u></u>	<u><u>245,974</u></u>

Notes to the financial statements (continued)

Note 12. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2023	299,487
Remeasurement adjustments	9,839
Depreciation expense	<u>(63,352)</u>
Balance at 30 June 2024	245,974
Remeasurement adjustments	304,852
Depreciation expense	<u>(57,251)</u>
Balance at 30 June 2025	<u><u>493,575</u></u>

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for 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.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025 \$	2024 \$
Franchise fee	117,722	117,722
Less: Accumulated amortisation	<u>(107,342)</u>	<u>(102,277)</u>
	10,380	15,445
Franchise renewal fee	316,464	316,464
Less: Accumulated amortisation	<u>(264,561)</u>	<u>(242,063)</u>
	51,903	74,401
	<u><u>62,283</u></u>	<u><u>89,846</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	19,278	97,209	116,487
Amortisation expense	<u>(3,833)</u>	<u>(22,808)</u>	<u>(26,641)</u>
Balance at 30 June 2024	15,445	74,401	89,846
Amortisation expense	<u>(5,065)</u>	<u>(22,498)</u>	<u>(27,563)</u>
Balance at 30 June 2025	<u><u>10,380</u></u>	<u><u>51,903</u></u>	<u><u>62,283</u></u>

Notes to the financial statements (continued)

Note 13. Intangible assets (continued)

Accounting policy for intangible assets

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

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

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

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

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

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

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	67,937	121,582
Other payables and accruals	77,296	48,007
	<u>145,233</u>	<u>169,589</u>
<i>Non-current liabilities</i>		
Other payables and accruals	29,645	59,289
	<u>29,645</u>	<u>59,289</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	174,878	228,878
Less GST payable to the ATO, included in trade and other payables	(13,811)	(9,484)
	<u>161,067</u>	<u>219,394</u>

Note 15. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	82,378	90,147
	<u>82,378</u>	<u>90,147</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	466,620	203,089
	<u>466,620</u>	<u>203,089</u>

Notes to the financial statements (continued)

Note 15. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	293,236	355,315
Remeasurement adjustments	313,180	12,277
Lease interest expense	26,036	17,102
Lease payments - total cash outflow	(83,454)	(91,458)
	<u>548,998</u>	<u>293,236</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option, or if there is a revised in-substance fixed lease payment.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Emu Park Branch	7.43%	5 years	2 x 5 years	1 x 5 years	May 2034
Yeppoon Branch	5.39%	5 years	1 x 5 years	Yes	October 2032

Note 16. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	671,710	671,710	671,710	671,710
Less: Equity raising costs	-	-	(33,496)	(33,496)
	<u>671,710</u>	<u>671,710</u>	<u>638,214</u>	<u>638,214</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Notes to the financial statements (continued)

Note 16. Issued capital (continued)

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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

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

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

Note 17. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

Notes to the financial statements (continued)

Note 17. Capital management (continued)

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 18. Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 9 cents per share (2024: 8 cents)	60,454	53,737

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	186,559	98,880
Franking credits (debits) arising from income taxes paid (refunded)	55,527	105,591
Franking debits from the payment of franked distributions	(20,151)	(17,912)
	221,935	186,559

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

Balance at the end of the financial year	221,935	186,559
Franking credits (debits) that will arise from payment (refund) of income tax	(29,199)	10,417
Franking credits available for future reporting periods	192,736	196,976

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

Accounting policy for dividends

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

Note 19. Financial risk management

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

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

Notes to the financial statements (continued)

Note 19. Financial risk management (continued)

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	97,590	97,172
Cash and cash equivalents (note 9)	738,117	806,482
	<u>835,707</u>	<u>903,654</u>
Financial liabilities at amortised cost		
Trade and other payables (note 14)	161,067	219,394
Lease liabilities (note 15)	548,998	293,236
	<u>710,065</u>	<u>512,630</u>

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Notes to the financial statements (continued)

Note 19. Financial risk management (continued)

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$738,117 at 30 June 2025 (2024: \$806,482).

Price risk

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

Liquidity risk

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

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

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2025				
Trade and other payables	131,422	29,645	-	161,067
Lease liabilities	84,916	339,662	295,190	719,768
Total non-derivatives	216,338	369,307	295,190	880,835
	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2024				
Trade and other payables	160,105	59,289	-	219,394
Lease liabilities	92,341	145,617	108,771	346,729
Total non-derivatives	252,446	204,906	108,771	566,123

Note 20. Key management personnel disclosures

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

Phillip Andre Luzzi
Ian Peter Chambers
John Francis McKenna
Kevin Thomas Hogan
Brooke Elizabeth Roberts

Andrew William Harold Morris
Andrew Peter Thompson
Sharon Lee Delaney
Brian Phelan

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

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

Note 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Notes to the financial statements (continued)

Note 21. Related party transactions (continued)

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company also made Sponsorships to local community groups where directors or their close family members were committee members.	-	38,273

Note 22. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	9,155	7,845
<i>Other services</i>		
Taxation advice and tax compliance services	265	1,120
General advisory services	4,490	4,935
Share registry services	6,260	4,773
	11,015	10,828
	20,170	18,673

Notes to the financial statements (continued)

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	15,071	114,022
Adjustments for:		
Depreciation and amortisation	140,321	149,103
Lease liability interest	26,036	17,102
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,154	27,626
Increase in income tax refund due	(29,199)	-
Increase in deferred tax assets	(9,614)	(13,285)
Increase/(decrease) in trade and other payables	(27,050)	108,609
Decrease in provision for income tax	(10,417)	(56,407)
Increase in employee benefits	620	14,653
Increase in other provisions	1,181	1,575
Net cash provided by operating activities	<u>108,103</u>	<u>362,998</u>

Note 24. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>15,071</u>	<u>114,022</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>671,710</u>	<u>671,710</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>671,710</u>	<u>671,710</u>
	Cents	Cents
Basic earnings per share	2.24	16.97
Diluted earnings per share	2.24	16.97

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Keppel Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. Events after the reporting period

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

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Andrew William Harold Morris
Chair

28 October 2025

Independent audit report



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

Independent auditor's report to the Directors of Keppel Financial Services Limited Report on the audit of the financial report

Our opinion

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

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

What we have audited

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

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

Basis for opinion

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

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

Other information

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

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

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



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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 October 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

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