Annual Report 2026

Ku-ring-gai Financial Services Limited







Community Bank · Lindfield
Bendigo Bank

Ku-ring-gai
Financial Services Limited

Ku-ring-gai Financial Services Limited

ABN 56 103 129 184

Annual Report 2026

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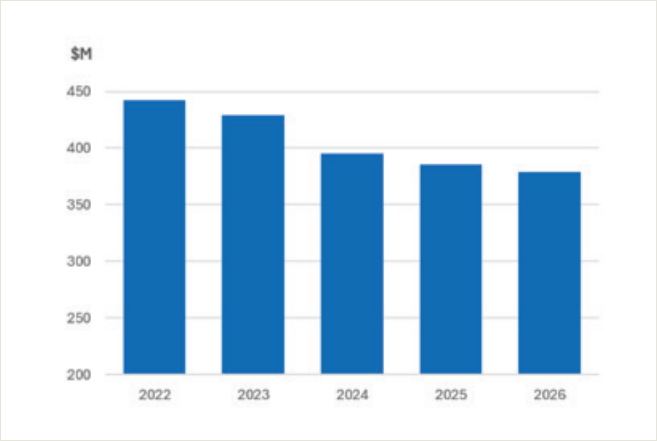
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Chairman's Report

Revenue and profitability

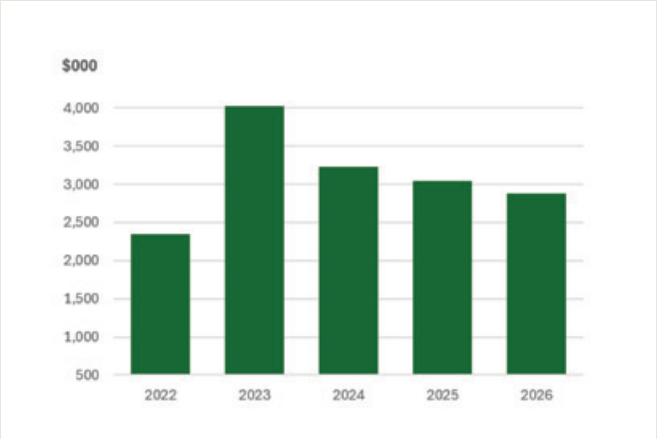
The following charts highlight the company's continuing strong performance relative to recent years.

Chart 1: Margin Portfolio



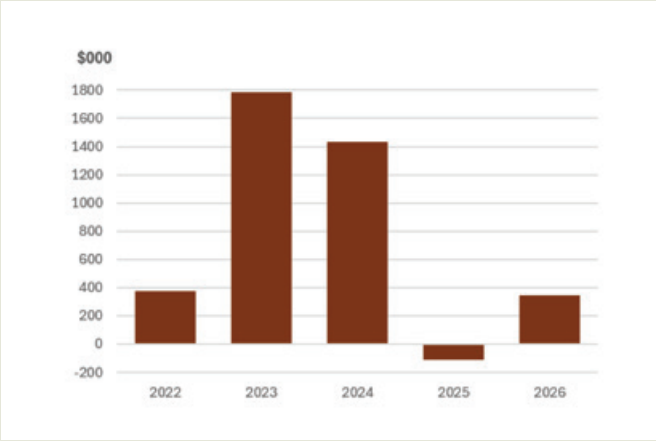
The margin portfolio declined for a fourth consecutive year, to approximately $380 million at 30 June 2026, from $443 million in 2022. Margin income, which provides 87 per cent of revenue, fell 2.6 per cent. Stopping this run-off and returning the portfolio to growth is the Board's first operating priority.

Chart 2: Revenue



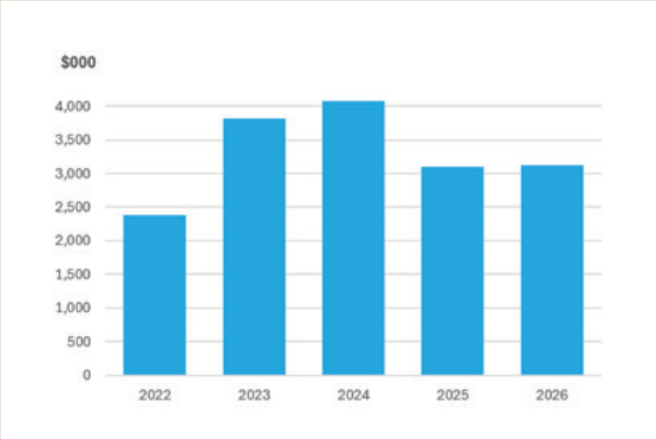
Margin income depends on two factors: the size of the margin portfolio and the margin rate earned on it. Rising interest rates lifted the margin sharply in 2023. It has since eased and held broadly steady in 2026, so margin income fell 2.6 per cent, in line with the smaller portfolio. Total revenue fell 5.3 per cent to $2.88 million, mainly because interest on the company's term deposits fell 34 per cent and commission income fell 15 per cent.

Chart 3: Net Profit Before Tax



Net Profit Before Tax returned to $346,000, from a loss of $112,000 in 2025. That loss reflected a one-off $1.48 million contribution to the Community Foundation. Profit before community contributions and tax was $1.21 million, down 15 per cent. The company directed $863,000 (71 per cent of that profit) to the community.

Chart 4: Cash and Investments



Cash and investments were steady at $3.12 million (2025: $3.10 million). Operating cash flow of $778,000 covered the $450,000 dividend, the branch fit-out and lease payments. In October 2026 the Board adopted a Capital Management Policy. Because Bendigo Bank carries the credit risk, the company holds only twelve months of operating costs, plus reserves for known commitments, such as the franchise renewal and lease expiry, and for approved growth initiatives. Any surplus above that level, tested against both equity and cash, will normally be returned to shareholders, preferably as fully franked dividends.

Chairman's Report

Dear Shareholder

I have the privilege of presenting the 2026 Annual Report on behalf of the Board of Ku-ring-gai Financial Services Limited (KFSL).

Firstly, I would like to pay tribute to the long and distinguished service of our immediate past Chairman, David Langdon. David's commitment and dedication to KFSL set a high standard for all directors. His strong values and active engagement with our local community are examples for all to emulate. Despite David's retirement from the Board we are delighted that David and his wife, Ruth, continue to be involved in many of KFSL's community activities.

It was a pleasure for me to commence my time as a KFSL director in 2023 during David's tenure and to learn a great deal from him. When I stepped into his shoes as Chair, I was grateful to have this grounding. I, and all directors, are determined to maintain the example he set.

Another strong year

Without doubt, the FY2026 has delivered strong results for KFSL, for Community Bank Lindfield, for our shareholders, for the customers we serve and for the wider community that benefits from the profits we share across Ku-ring-gai and surrounds. This year we hit a milestone, delivering over $7 million dollars back to our community since we first opened. The positive impact across Ku-ring-gai from our endeavours cannot be underestimated.

Revenue and profitability

The following charts highlight the company's continuing strong performance relative to recent years.

Our shareholders

The Board has been committed to providing information to shareholders in a variety of ways. Our quarterly shareholder newsletters provide up to date and timely articles and our shareholder information nights give us an opportunity to engage in person with more detailed data and to answer shareholder questions directly. We also encourage shareholders to follow our social media platforms and view our website.

It is disappointing, at the time of writing, that Bendigo Bank has not yet been in a position to provide us with tangible insights into its plans for community bank model evolution. We hope this uncertainty is soon rectified so that we can plan knowing what lies ahead. The Board will keep shareholders abreast as developments become known.

At our most recent shareholder information night we presented some fascinating graphs showing the results of research across the community bank network Australia wide. We are incredibly proud of the top rankings we have achieved across key indicators. Our shareholders were also provided with graphs depicting our dividend history to the present time. We are confident that the year ahead will also be rewarding for shareholders. These graphs are reproduced on pages 4 and 5.

Our staff

During 2026 there have been challenges for both staff and directors with our branch manager, Michele Ferris, needing to take extended leave. Coupled with Sara Granpayeh's maternity leave, the branch was under a lot of pressure. The Board was focused on supporting both Michele and Sara in their leave whilst also being fully aware of the strain on the other staff. We are particularly grateful to Pooja who stepped up as acting branch manager until Sara's maternity leave finished after which she accepted the role of acting branch manager immediately on her return to work. The contribution that Sharon, our Community Development Manager, made during this difficult period was beyond the call of duty and we are exceedingly grateful to her. All staff were stoic in getting the branch through this situation.

Our staffing situation is much improved now but the experience this year has emphasised the importance of our strategic goals for succession planning and not running too lean on employment costs. We can only provide the high quality of service we expect if we have the right staff in the right roles. This will be a significant focus in the year ahead. The increasing compliance and regulatory demands upon both staff and directors mean their time is being devoted to many more requirements than ever before.

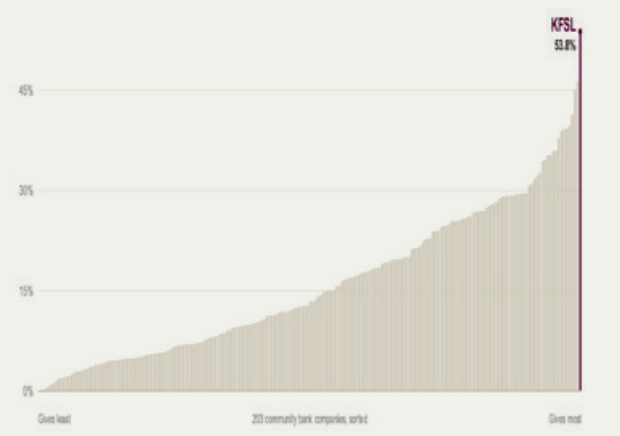
Our committees

The Board established the following committees, each with a director taking on the role of Convenor. These committees have been extremely active throughout the year and I thank them for their dedication to the myriad of important tasks necessary for the best performance of KFSL, now and into the future. A snapshot below gives an indication of their activities.

Lean to run, generous to give

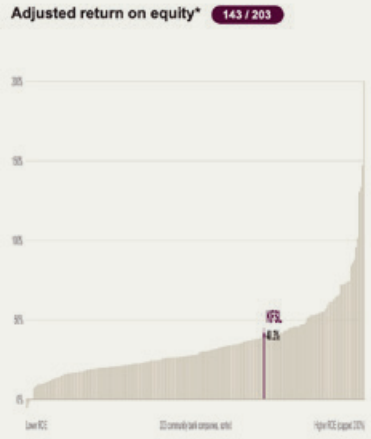


KFSL **32.8%** — bottom 5% of 203 companies. A highly efficient staffing model that leaves scope for investment.

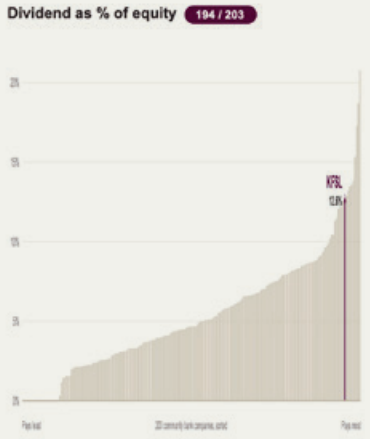


KFSL **53.8%** — the **highest** of all 203 community bank companies. KFSL returns more revenue to its community than any peer in FY2025.

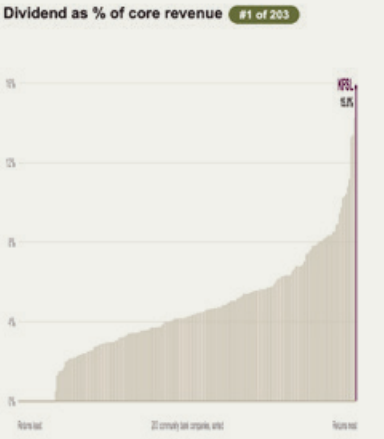
Strong Returns, Sector-Leading Payouts



KFSL **40.3%** — top 30% of all companies.



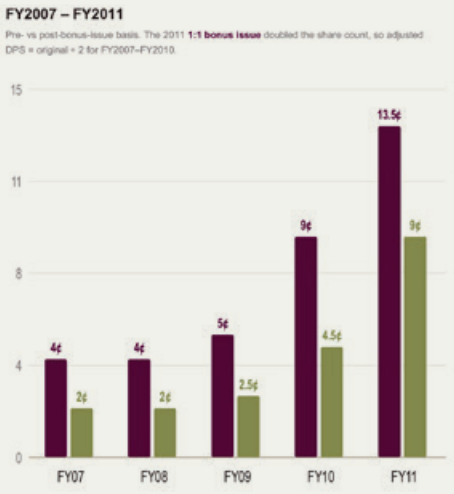
KFSL **12.6%** — top 5%. Pays out far more relative to book equity than peers.

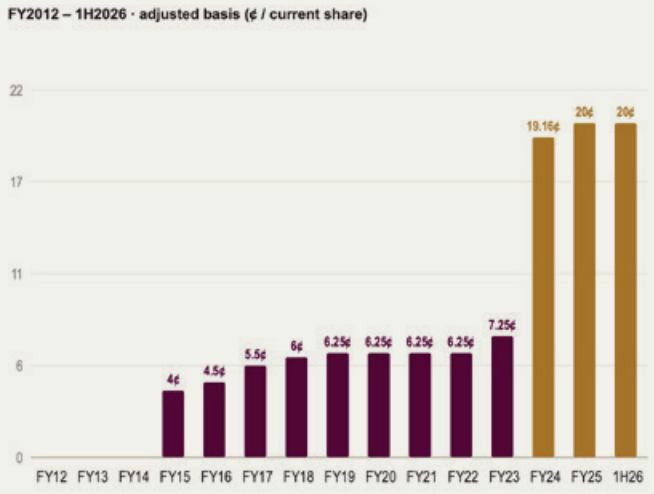


KFSL **15.8%** — the **highest** of all 203. Returns more revenue to shareholders than any peer.

* Adjusted ROE = (Net Income + Donations) ÷ Equity — removes the effect of large community contributions for a cleaner view of underlying operating returns; extreme outliers capped at 200%. Revenue = revenue from contracts with customers (AASB 15).

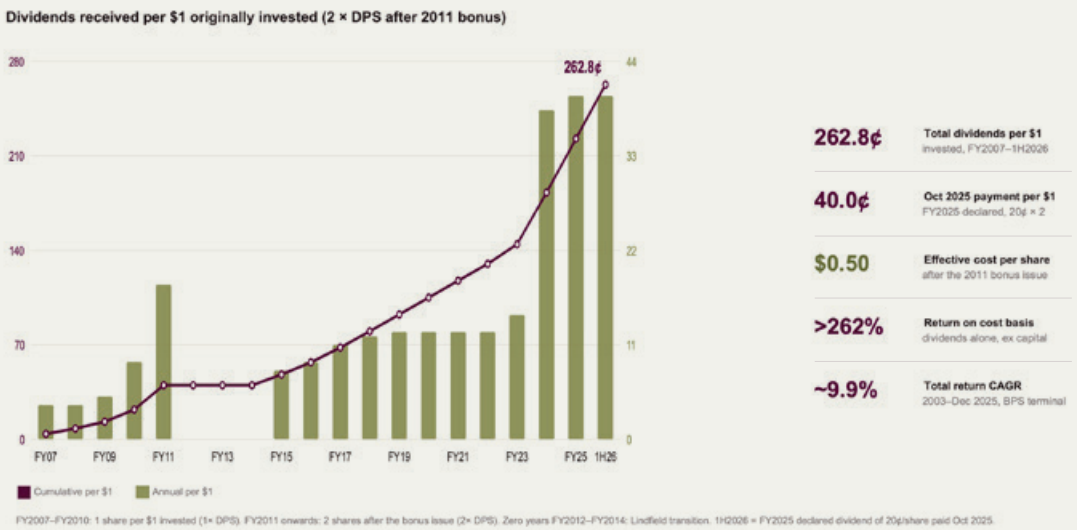
Dividend History – Original vs Adjusted Basis





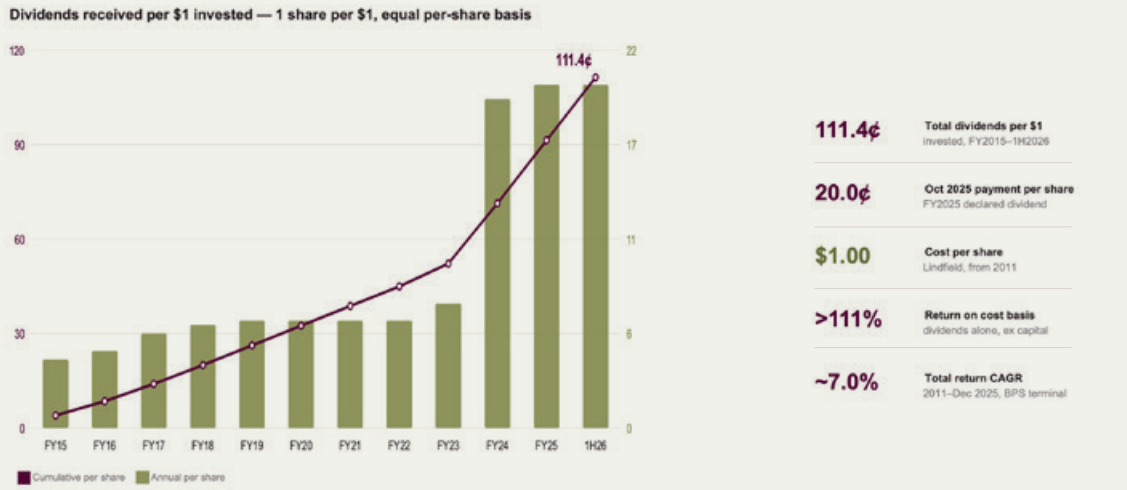
FY2012–FY2014: no dividend (Lindfield transition). FY2015+: steady growth as both branches matured. FY2023–1H2026: landmark returns including a special dividend — all fully franked.

Turramurra Holders



FY2007–FY2010: 1 share per $1 invested (1× DPS). FY2011 onwards: 2 shares after the bonus issue (2× DPS). Zero years FY2012–FY2014: Lindfield transition. 1H2026 = FY2025 declared dividend of 20¢/share paid Oct 2025.

Lindfield Holders



Lindfield holders invested at $1.00/share from 2011; the company returned its first dividend in FY2015. 1H2026 = FY2025 declared dividend of 20¢/share paid Oct 2025. Lindfield holders have now recovered their full investment cost through dividends alone.

Shareholder Returns – Summary Comparison

Turramurra Holders Invested since 2003 @ $1.00/share · 2011 1:1 bonus → effective $0.50/share, 2 shares per $1	
Effective cost per share	$0.50
1H2026 dividend per $1 invested	40.0¢
Cumulative FY2007–1H2026 per $1	262.8¢
Return on cost basis (dividends only)	>262%
Total return CAGR (2003–Dec 2025)	~9.9%

Lindfield Holders Invested from 2011 @ $1.00/share · no bonus shares — same DPS per share as all shareholders	
Cost per share	$1.00
1H2026 dividend per share	20.0¢
Cumulative FY2015–1H2026 per $1	111.4¢
Return on cost basis (dividends only)	>111%
Total return CAGR (2011–Dec 2025)	~7.0%

ASX 300 broad-market total return (20 years to June 2025, Vanguard Index Chart): **~8.0% p.a.** with dividends reinvested — vs KFSL **Turramurra ~9.9%** · **Lindfield ~7.0%** (dividends paid as cash, not reinvested).

Dividends fully franked beginning FY2009. Turramurra: FY2007–1H2026. Lindfield: FY2015–1H2026. 1H2026 = FY2025 declared dividend of 20¢/share paid October 2025.
KFSL CAGR uses 1H2026 book value per share (BPS) as terminal. If terminal value replaced by 50¢/share, CAGR for Turramurra holders will be 7.8%, and that for Lindfield holders will be 4.0%

Business Growth and Innovation committee

Chair Dale Crosby

The Business Growth and Innovation Committee has maintained a strong focus on building KFSL's profile, strengthening community connections and identifying opportunities for future business growth. A high level of community engagement activity has continued throughout the year, together with work to develop new partnership channels and better promote local success stories. A key area of investigation has been the youth market, with the Committee looking at opportunities to broaden KFSL's exposure to younger people and build longer-term awareness and engagement with Community Bank Lindfield. More broadly, work is progressing around customer segmentation, outreach opportunities and initiatives to strengthen relationships with both existing and prospective customers. A significant challenge over the past nine months has been staffing capability and capacity, which has constrained the ability to progress a number of business development initiatives as quickly as desired. This remains an important area of focus, with options around branch capability, capacity and recruitment being considered.

Finance, Audit and Risk committee

Chair Kenneth Kok

Over the past financial year, the Finance, Audit and Risk Committee focused on driving deeper analytical clarity and establishing a robust capital and profit allocation framework to guide the company's future financial strategy.

A central priority for the Committee was an ongoing exercise to better understand our revenue drivers and cost structure. This included granular work to analyse the composition of our margin balance and the underlying drivers of margins, segment our clientele, evaluate peer benchmarks on profitability, and closely monitor employment costs and community contributions.

Crucially, the Board and Committee progressed work on a comprehensive Profit Allocation and Capital Management Framework:

Policy on Community Contributions:

Establishing a formal policy direction to allocate majority (a minimum of 51%) of Profit Before Community Contributions and Tax (PBCCT) to community causes, ensuring our core Community Bank purpose remains central to our financial model.

Capital Sizing and Shareholder Returns:

Conducting a review to determine the company's required capital buffer, confirming a commercial leasing strategy over property acquisition, and establishing a plan to return excess capital to shareholders.

This framework ensures a balanced and sustainable approach that supports our community commitments while delivering clear value and capital efficiency to our shareholders.

Governance and Stewardship committee

Chair Marianne Broeng

The Board established the Governance and Stewardship Committee in 2026 to oversee the company's governance and compliance framework.

In accordance with the Franchise Agreement, KFSL Constitution and applicable laws and regulatory requirements, the Committee's responsibilities include providing recommendations on board effectiveness, compliance and risk management controls, board renewal and succession, strategic alignment with the Bendigo Bank model evolution, and compliance with ASIC, statutory and regulatory requirements.

The company's regulatory and compliance requirements have been reviewed, and additional items have been added to the annual compliance calendar. The Company Secretary notifies the responsible person of upcoming deadlines. To ensure KFSL meets all deadlines, automated notifications are now sent to a secondary email address (i.e. the Governance Committee or the Chair).

In response to increased governance requirements and updated policies from Bendigo Bank, the committee reviews compliance and recommends governance policies and controls to the Board.

To safeguard stability and effective oversight, the compliance calendar now includes several focus areas, including:

- Digital access register of signatories
- Compliance with the NSW WHS Act (effective 1 July 2026)
- Director education and capability tracking to support ongoing board governance education
- Reporting on financial and non-financial community contributions

In the coming months, we will implement further actions, including periodic review of key governance documents, existing policies, and the risk register to further strengthen our governance.



Ku-ring-gai Chamber of Commerce Meeting



The Village Chef Nutritional Program



Community Pitch



Hornsby Ku-ring-gai DV Network Walk the Talk



Wahroonga Fair



Community Pitch



Staff and Directors Grant Program



Great BIG Community Grant Presentation NIght



Scholarship recipient Aidan Taylor



The Dish of St John's

Chairman's Report

People and Culture committee

Chair Kristyn Haywood

This year presented significant people and operational challenges for our Lindfield Community Bank branch, including an extended period without a branch manager and the need to train and support several new employees. During this time, team members stepped into additional responsibilities, supported their newer colleagues and worked hard to maintain customer service and operational standards. The Board acknowledges the commitment of those employees who provided leadership, worked additional hours and helped maintain stability during a particularly demanding period. Their willingness to step forward ensured that the branch continued to support its customers and community.

During the year, the Board also developed a tailored employee bonus scheme designed to recognise contribution more fairly. The scheme considers individual performance, overall branch performance and team behaviours. This enables KFSL to recognise both the achievement of individual objectives and the less visible contribution made by employees who support their colleagues and help sustain the branch during challenging periods.

The experience of the past year has reinforced the importance of leadership continuity, effective training, clear accountability and recognising employees whose contribution extends beyond their formal role. These will remain important areas of focus as we work to strengthen the stability and performance of the branch.

Community Development and Support committee

Chair Jennifer Anderson

Details of the support of the community during this financial year can be found in the Community Development and Support report later in this Annual Report.

Our Board support team

We have been fortunate to have the steady, experienced ongoing support from a team of professionals, all with a deep understanding of the community bank sector.

Joy Rollason, our Company Secretary, attends our monthly board meetings and prepares all the necessary documentation for the agenda and minutes and additional assistance between meetings, including the preparation of circular resolutions on matters that may need prompt attention.

Sharon Warner, our Treasurer, not only provides the vast amount of financial information required by the Board for each monthly meeting but also undertakes annual budget preparation, audit assistance, account payments and find times to join us at some of our important community events.

CB-Virtual Solutions continues to provide a team of staff to support our meetings, including our Annual General Meeting, and assist with the increasingly complex and detailed compliance and government support required.

We continue our longstanding and strong relationship with AFS & Associates, who remain engaged for our audit and accounting services and to maintain our share register.

Zantzoo handles our growing needs for advertising, social media and design work with often very tight timelines. Sarah Rouhan is a vital part of our public profile and has an integral involvement in our many larger events and campaigns

We are deeply appreciative of these teams behind KFSL operations.

Our customers

None of what we have achieved is possible without our customers. Our goal is to return their loyalty and commitment to Community Bank Lindfield with professional, efficient and personal tailored banking services. Our physical branch at Lindfield is a local, accessible and approachable place where all banking needs can be met with a welcoming staff member ready to assist. Doing business with a community bank, where you know your business results in benefits to your own community and its many valued organisations and charities is a compelling reason for our success over the last twenty-two years.

On behalf of our directors, I commend the 2026 Annual Report to you. This year has been a testament to KFSL's collective strength and unwavering commitment to serving our community. I am confident that with our renewed Board, dedicated staff and a robust strategic vision, KFSL is exceptionally well-positioned for continued success in FY2026 and beyond.



Jennifer Anderson OAM
Chairman

Branch Manager's Report

I am pleased to have stepped into the role of Branch Manager while Michele Ferris is on extended leave. Having been part of the Community Bank Lindfield team for several years, I am very fortunate to take on this role and continue working with a team and customer base that I know and value greatly.

The strong results of our Community Bank have been achieved thanks to the wonderful support of our existing customers, who continue to deepen their banking relationships with us. Their loyalty and trust are at the heart of our success and enable us to continue making a meaningful difference in our local community.

It has been a year of change for the branch, with periods of staff shortages, my own six-month period of maternity leave and Michele's extended absence. Despite these challenges, the branch has remained fully operational and continued to provide the high level of personal service our customers have come to expect. We were also delighted to welcome Lily to our team, bringing with her 20 years of experience in retail banking.

We have continued to achieve sound results across risk and compliance, while maintaining our strong focus on customer service. Whether customers visit us in person, contact us by phone or email, our team is always available to provide personal assistance and support.

We are fortunate to have a diverse and multilingual team, with our staff collectively speaking Cantonese, Mandarin, Hindi, Punjabi and Persian. The ongoing development and growth of each team member continues to be an important focus.

As a full-service bank, we are here to assist our customers with all their financial needs - from home loans, personal and business accounts and business banking, through to insurance products and specialised wealth management services. Whatever the need, our focus remains on providing a personal approach and finding the right solution for each customer.

I would like to acknowledge and thank our wonderful team - Sharon, Peter, Yvette, Pooja, Anjali and Lily - for their kindness, care and commitment to our customers. Their flexibility and support for one another has been particularly important during a year of change.

Our involvement in the local community continues to make Community Bank Lindfield unique. Over the past year, our team has been deeply involved in community events and initiatives.

Some highlights include:

- providing our first Community Bank Lindfield University Scholarship for a student entering their second or subsequent year of university;
- delivering our Great BIG Community Grants program, supporting 21 local community organisations and our bi-annual Staff & Directors Grant Evenings;
- hosting Community Pitch 2026 and
- volunteering regularly at The Dish of St John's.

The 2026/2027 financial year is already shaping up to be another busy and exciting year. I look forward to working with our team to build on what has been achieved and continuing to strengthen the relationships we have with our customers and community partners.

On behalf of the branch team, I extend my sincere thanks to our dedicated volunteer directors for their ongoing commitment, guidance and support. The continued growth of the KFSL Board, together with the experience and fresh ideas brought by our directors, provides a strong foundation for the future.

Finally, I would like to sincerely thank all our shareholders and customers for your support. Your decision to bank with us makes a real difference. Without your support, we would not be able to do the work we do in our community, and we look forward to continuing that journey together.



Sara Granpayeh
Branch Manager
Community Bank Lindfield



Community Pitch



Staff and Directors Grant Program



Local Business Awards - Professional Services Award



Challenge North Shore Limited uniforms



Studio ARTES 25th Anniversary Ball



International Women's Day High Tea



Lindfield Fun Run



Ku-ring-gai Local Business Connect Expo



Hornsby Woodworking Men's Shed



KNA Sponsor Day

Community Development and Support Report

The past 12 months have been our most significant year yet for community investment, collaboration and impact. Thanks to the support of our customers, shareholders and community partners, Community Bank Lindfield has continued to invest in initiatives that strengthen our local community and improve the lives of people across Ku-ring-gai and Hornsby.

Investing where it matters most

During the year we committed $676,692 through grants, donations and sponsorships, supporting 83 local community organisations. When combined with community fundraising initiatives including Community Pitch 2025 and our Safe Place Appeal matching campaign, the total value of community support reached an outstanding $914,192.

One of the year's highlights was our Great BIG Community Grants Program, which distributed $251,144 to 21 organisations delivering projects that will have lasting benefits for our community.

Among the major grants awarded, Studio ARTES received $46,000 to create an accessible kitchen that now provides opportunities for people with disability to develop life skills and independence. Northern Suburbs Football Association received $30,000 to implement its RESPECT program across 30 football clubs, promoting positive behaviours and helping create safer, more inclusive sporting environments for thousands of players, volunteers and spectators.

Partnerships creating lasting change

Our partnership with Hornsby Ku-ring-gai Women's Shelter resulted in one of the most significant community campaigns we have undertaken.

Through the Safe Place Appeal, Community Bank Lindfield committed to matching community donations dollar-for-dollar up to $150,000. Together with donations from the community, the campaign raised $328,000, assisting with the purchase of a second property that will provide safe accommodation for women and children escaping domestic violence and homelessness.

Supporting vulnerable members of our community also extended to our Christmas Giving program, where 12 local organisations each received a $3,000 donation to assist people experiencing hardship during the festive season.

We were pleased to provide a grant of $51,919 to The Village Chef to purchase a new meal-packing machine. Producing around 1,000 meals every day for approximately 950 individual clients and more than 40 provider partners, this equipment will help ensure older members of our community continue to receive nutritious meals well into the future.

Supporting people and celebrating community

This year we launched our inaugural Community Bank Lindfield University Scholarship, awarding $9,000 per year for two years to Aidan Taylor. Aidan was selected not only for his academic achievements but also for his outstanding commitment to community service through volunteering with St John Ambulance, the North Shore Hospital Emergency Department and tutoring Indigenous students.

Our Staff and Directors Grants Program continued to foster meaningful community connections. Twice each year, every staff member and director nominates a local organisation to receive a $1,000 donation. Many of these initial introductions have grown into valued long-term partnerships that continue today.

Throughout the year we also celebrated significant milestones alongside many of our community partners, including the 10th anniversary of Hornsby Ku-ring-gai Women's Shelter, the 20th anniversary of KYDS Youth Counselling, and the 50th anniversary of the Rotary Club of Wahroonga.

Inside our branch, we introduced a permanent art wall showcasing works by Studio ARTES artists. The display has transformed the branch into a vibrant community space while providing artists with an opportunity to exhibit and sell their work.

Bringing people together

Community Pitch continues to demonstrate what can be achieved when businesses, individuals and charities work together.

Our sixth Community Pitch attracted support from 43 local businesses, schools and community organisations, generating $87,900 for 10 local charities, including Community Bank Lindfield's $30,000 contribution. With more than 200 people attending the event, this was our biggest Pitch event yet.

Since its launch in 2019, Community Pitch has distributed more than $400,000 to local organisations while strengthening connections between businesses, charities and the wider community.

More than financial support

Community support is about far more than funding. Throughout the year our staff and directors



KNA Sponsor Day

volunteered their time, attended community events, visited local organisations and continued to build genuine relationships with the people and groups we support.

Whether preparing meals at The Dish of St John's, celebrating milestone anniversaries or attending project launches, we remain committed to being an active participant in our community.

Looking ahead

Since opening our doors, Community Bank Lindfield has returned more than $7 million to the community through grants, sponsorships, donations, and shareholder dividends.

Every dollar invested reflects the trust our customers place in us when they choose to bank locally. Their support enables us to continue investing in projects that strengthen our community, improve lives and create opportunities for future generations.

As we look ahead, we remain committed to growing our impact, building new partnerships and ensuring that together we continue to make a genuine difference across Hornsby and Ku-ring-gai.



Jennifer Anderson OAM
Chair, Community Development & Support Committee



Sharon Franke
Community Development Manager



P.A.R.T.Y. Program



St John's Ambulance - West Pymble Pharmacy



NSFA Respect Program



Eastern Road Pharmacy Defibrillator



Hidden Garden Community Cafe



HKWS Safe Place Appeal launch



Community Pitch



KFSL Christmas Drinks

Ku-ring-gai Financial Services Limited

ABN 56 103 129 184

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Our Board of Directors

Our dedicated team is at the heart of our commitment to community banking.

Each member plays a vital role in ensuring that our customers receive excellent personalised service and that our community initiatives thrive. Get to know the individuals who make up our dynamic team, led by our voluntary Board of Directors.



Jennifer Gai Anderson OAM

Chair

Non-executive director

Chair of the Community Development and Support committee



Kristyn Ann Haywood

Deputy Chair

Non-executive director

Chair of People and Culture committee



Dale Crosby

Non-executive director

Chair of Business Growth and Innovation committee



Edward John Kitchener

Non-executive director



Panagiota (Betty) Hall

Non-executive director



Ka Keung (Kenneth) Kok

Non-executive director

Chair of the Finance, Audit and Risk committee



Marianne Broeng

Non-executive director (appointed 28 Sept 2025)

Chair of Governance and Stewardship committee

Ku-ring-gai Financial Services Limited
Directors' report
30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

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:	Jennifer Gai Anderson
Title:	Non-executive director
Experience and expertise:	Jennifer was awarded the Order of Australia (OAM) for services to the community of Ku-ring-gai in the January 2025 Australia Day honours. She holds the title of Emeritus Mayor and is the longest serving mayor in Ku-ring-gai Council's 120-year history, having served as an elected local government councillor for nearly sixteen years. During her service she received the Ministers' Award for Women in Local Government, Elected Representative in a Metropolitan Council, Local Government NSW's Excellence Award, Davidson NSW Woman of the Year and is a Rotary International Paul Harris Fellow. Jennifer has held previous board roles with Ku-ring-gai Meals on Wheels, Hornsby Ku-ring-gai Women's Shelter, Ku-ring-gai Youth Development Service (KYDS), Eryldene Historic House and Garden and The Art Deco Society of NSW and chaired Council committees including Audit and Risk, Economic and Social Development and Heritage, as well as representing Council on the Northern Sydney Regional Organisation of Councils. She previously served on the State Executive of the NSW Parents' Council and the State Council of the NSW Federation of P&C Associations. Her early career was in library and information science, with appointments to the University of London and the University of NSW.
Special responsibilities:	Chair of the Board, Chair of the Community Development and Support Committee
Name:	Kristyn Ann Haywood
Title:	Non-executive director
Experience and expertise:	Kristyn is the founder and director of People for Success, a leadership coaching and consultancy practice established in 2004. She works with executives, boards and management teams to build ethical leadership, psychological safety, accountability and constructive workplace cultures. Before establishing her consultancy, Kristyn held senior human resources roles, including as a Chief Human Resources Executive, giving her deep experience in organisational governance, people strategy and leadership development. Kristyn holds a Master of Business and a Master of Research, with her research focused on ethical leadership, gendered authority and the organisational consequences of misrecognising values-based leadership. Her professional work is grounded in the belief that strong communities and strong organisations are built through courage, integrity, care and responsible decision-making. Kristyn is also active in the Ku-ring-gai community. She is the Convenor of Voices of Ku-ring-gai, a local community action group, and supports the Ku-ring-gai Allstars, a netball team that enables people with intellectual disability to participate, belong and thrive through sport. She is a published poet, conservationist and founder of Expand Now, a not-for-profit organisation supporting women to grow in confidence and stand in their power.
Special responsibilities:	Deputy Chair of the Board, Chair of the HR Committee

Name:	Dale Crosby
Title:	Non-executive director
Experience and expertise:	Dale is a business strategist, educator and company director with more than 40 years of experience spanning corporate sales and marketing, business leadership and professional services. He held senior sales and marketing roles within the pharmaceutical industry before establishing a successful consulting and training practice focused on helping accounting, financial advisory and SME businesses achieve sustainable growth. As Managing Director of High Tech Soft Touch Pty Ltd and CPD For Accountants, Dale has supported more than 4,000 organisations across Australia and New Zealand in the areas of practice management, leadership development, client relationships, marketing and business performance. His expertise combines strategic thinking with practical implementation, helping firms strengthen profitability, improve client engagement and develop high-performing teams. A long-term Ku-ring-gai resident, Dale is Vice President of the Ku-ring-gai Chamber of Commerce, and an active contributor to a number of community and sporting associations. He brings extensive commercial experience, strong governance capability and a genuine commitment to supporting local businesses and building stronger communities.

Name:	Edward John Kitchener
Title:	Non-executive director
Experience and expertise:	John brings extensive experience in finance, strategy and operations across both commercial and not-for-profit sectors, locally and internationally. He has held senior roles including Chief Financial Officer, Chief Operating Officer and Executive Director, leading business transformations and supporting leadership teams through periods of significant change.
Special responsibilities:	Member of Audit and Risk Committee

Name:	Panagiota (Betty) Balassis
Title:	Non-executive director
Experience and expertise:	BArts, majoring in Mathematics and Statistics. Panagiota (Betty) has more than 30 years' experience working in senior positions across Market Research Companies, FMCG, Banking and Not for Profit organisations in Australia. After graduating from UNSW, she began her career as a statistician working for a premier market research agency. 8 years later, her passion for understanding people led her to pursue a career in consumer insights. Together with her strong statistical grounding and her deep understanding of consumer motivations and behaviours, she helps organisations identify opportunities to deliver better products and services for their customers.

Name:	Ka Keung (Kenneth) Kok
Title:	Non-executive director *(Appointed 2 July 2025)*
Experience and expertise:	Kenneth has more than 25 years of experience in financial markets spanning capital markets operations, regulatory frameworks and digital transformation. He was Managing Director and Co-Head of the Trading Department at Hong Kong Exchanges and Clearing Limited, where he oversaw operations generating 36% of HKEX's revenue, and previously held Executive Director roles at Goldman Sachs across its Global Markets and Investment Research divisions. He is currently Managing Director of K K Kok & Co Pty Ltd, a business consulting practice that also represents "dot languages"—a Chinese learning application for non-background learners—in Oceania. He is also Chief Operating Officer and Alternate Director of SWJ Radiology Limited, contributing healthcare sector governance experience. His broader governance experience includes chairing a provident fund committee, serving on a charitable fund allocation committee, and treasurer roles at local community organisations, currently St Ives Netball Club. Kenneth holds a Bachelor of Arts in Economics from The University of Chicago, and is a CFA Charter holder, a Fellow of the Hong Kong Securities and Investment Institute (FHKSI), and a Graduate of the Australian Institute of Company Directors (GAICD).
Special responsibilities:	Chair of the Finance, Audit & Risk Committee

Name:	Marianne Broeng
Title:	Non-executive director *(Appointed 28 September 2025)*
Experience and expertise:	Marianne is a non-executive director and advisory board member with more than 30 years' expertise in business and digital transformation for local and international companies, currently serving as a Director of Ku-ring-gai Financial Services Limited, Kogarah Community Services Inc and the Eryldene Foundation, and as an Advisory Board Member at Safe Watch Care. She is the founder of Meliam Consulting Pty Ltd, a Sydney-based consultancy established in 2008, and a respected executive advisor specialising in CRM and digital transformation strategies and program execution oversight. Formerly an executive for Australian and European listed companies, Marianne has a track record of delivering complex strategic transformations with measurable outcomes, including as International Product Manager for Microsoft, where she oversaw the global launch of its first CRM solution and managed critical industry analyst relationships. She is highly skilled in operational and technology governance, enterprise-wide strategy and stakeholder engagement, bringing a growth mindset and an emotionally intelligent leadership style focused on consensus-driven outcomes, and remains committed to making a purposeful impact at individual, community and corporate levels.
Special responsibilities:	Member of the Governance and Stewardship Committee, Member of the Business Growth and Innovation Committee

Name:	David Andrew Langdon
Title:	Non-executive director *(Resigned 17 November 2025)*
Experience and expertise:	David was a Partner in a global technology consulting firm until his retirement in 1999. He was the inaugural Chair of Ku-ring-gai Financial Services Limited, appointed in November 2002, and remained Chair until his retirement in 2014. During this period, the company opened and operated two successful Community Bank Branches. David was re-elected to the Board in 2023 and was elected Chair.

Name:	Julie Fidler
Title:	Non-executive director *(Resigned 17 November 2025)*
Experience and expertise:	Julie has recently retired from a career in business administration, finance and governance for various public and listed companies. Julie was founding Company Secretary of Ku-ring-gai Financial Services Limited for 15 years, from its formation in 2002 until 2017, and is committed to its success and the provision of banking services in Ku-ring-gai.

No directors have material interest in contracts or proposed contracts with the company.

Company secretary
The company secretary is Joy Lenore Rollason. Joy was appointed to the position of company secretary on 30 June 2023.

Experience and expertise:	Joy holds a bachelors degree in Information Services (Librarianship), a graduate diploma in Applied Corporate Governance and a diploma in Project Management. She has a strong background in banking, quality assurance, administration and proofreading and more than 25 years of company secretarial experience with unlisted public companies.

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 $251,530 (30 June 2025: loss of $89,863).

Operating result was in line with expectations.

Dividends
During the financial year dividends were declared:

	2026 $	2025 $
Fully franked dividend of 20 cents per share (2025: 20 cents)	450,217	450,217

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
On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 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 attended by each of the directors of the company during the financial year were:

	Board	
	Eligible	Attended
Jennifer Gai Anderson	11	11
Kristyn Ann Haywood	11	9
Dale Crosby	11	10
Edward John Kitchener	11	9
Panagiota (Betty) Balassis	11	9
Ka Keung (Kenneth) Kok	11	11
Marianne Broeng	7	6
David Andrew Langdon	5	5
Julie Fidler	2	2

Eligible represents the number of meetings held during the time the director held office.

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 of which a director is a member or an entity in which a director has a substantial financial interest.

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
Jennifer Gai Anderson	-	-	-
Kristyn Ann Haywood	-	-	-
Dale Crosby	-	-	-
Edward John Kitchener	-	-	-
Panagiota (Betty) Balassis	-	-	-
Ka Keung (Kenneth) Kok	17,000	-	17,000
Marianne Broeng	-	-	-
David Andrew Langdon	20,002	-	20,002
Julie Fidler	1000	-1000	0

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 2026 and up to the date of this report.

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

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

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.

Ku-ring-gai Financial Services Limited
Directors' report
30 June 2026

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

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

- all non-audit services have been reviewed by the Treasurer to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- 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.



Jennifer Gai Anderson
Chair

22 September 2026

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 Ku-ring-gai Financial Services Limited

As lead auditor for the audit of Ku-ring-gai Financial Services Limited for the year ended 30 June 2026, 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.



Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 22 September 2026



Lachlan Tatt
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Ku-ring-gai Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue from contracts with customers	7	2,754,065	2,851,928
Other revenue		5,264	7,019
Finance revenue		119,881	180,963
Total revenue		2,879,210	3,039,910
Employee benefits expense	8	(924,062)	(912,513)
Advertising and marketing costs		(238,066)	(252,161)
Occupancy and associated costs		(34,145)	(38,392)
System costs		(53,211)	(48,995)
Depreciation and amortisation expense	8	(175,317)	(138,383)
Finance costs	8	(31,046)	(20,307)
General administration expenses		(213,762)	(208,717)
Loss on disposal of assets		(95)	-
Total expenses before community contributions and income tax		(1,669,704)	(1,619,468)
Profit before community contributions and income tax expense		1,209,506	1,420,442
Charitable donations and sponsorships expense	8	(863,141)	(1,532,928)
Profit/(loss) before income tax (expense)/benefit		346,365	(112,486)
Income tax (expense)/benefit	9	(94,835)	22,623
Profit/(loss) after income tax (expense)/benefit for the year attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited		251,530	(89,863)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited		251,530	(89,863)
		Cents	**Cents**
Basic earnings per share	26	11.17	(3.99)
Diluted earnings per share	26	11.17	(3.99)

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

Ku-ring-gai Financial Services Limited
Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 Restated $
Assets			
Current assets			
Cash and cash equivalents	10	33,613	81,400
Trade and other receivables	11	304,999	398,338
Investments	12	3,087,498	3,016,068
Current tax assets	9	106,011	265,322
Total current assets		3,532,121	3,761,128
Non-current assets			
Property, plant and equipment	13	128,696	150,178
Right-of-use assets	14	294,657	432,825
Intangible assets	15	31,993	45,884
Deferred tax asset	9	52,150	79,452
Total non-current assets		507,496	708,339
Total assets		4,039,617	4,469,467
Liabilities			
Current liabilities			
Trade and other payables	16	111,819	247,274
Lease liabilities	17	134,534	126,920
Employee benefits		134,980	98,317
Total current liabilities		381,333	472,511
Non-current liabilities			
Trade and other payables	16	15,279	30,559
Lease liabilities	17	214,538	344,352
Employee benefits		11,085	6,271
Provisions		30,490	30,195
Total non-current liabilities		271,392	411,377
Total liabilities		652,725	883,888
Net assets		3,386,892	3,585,579
Equity			
Issued capital	18	1,258,525	1,258,525
Retained earnings		2,128,367	2,327,054
Total equity		3,386,892	3,585,579

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

Ku-ring-gai Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		1,258,525	2,867,134	4,125,659
Loss after income tax benefit		-	(89,863)	(89,863)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(89,863)	(89,863)
Transactions with ordinary shareholders in their capacity as ordinary shareholders:				
Dividends provided for or paid	20	-	(450,217)	(450,217)
Balance at 30 June 2025		1,258,525	2,327,054	3,585,579
Balance at 1 July 2025		1,258,525	2,327,054	3,585,579
Profit after income tax expense		-	251,530	251,530
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	251,530	251,530
Transactions with ordinary shareholders in their capacity as ordinary shareholders:				
Dividends provided for or paid	20	-	(450,217)	(450,217)
Balance at 30 June 2026		1,258,525	2,128,367	3,386,892

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

Ku-ring-gai Financial Services Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 $	2025 Restated $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,021,035	3,178,062
Payments to suppliers and employees (inclusive of GST)		(2,472,439)	(3,496,843)
Interest received		137,980	184,797
Income taxes refunded/(paid)		91,778	(249,390)
Net cash provided by/(used in) operating activities	25	778,354	(383,374)
Cash flows from investing activities			
Payments for investments		(71,430)	-
Payments for property, plant and equipment		(157,767)	(3,576)
Payments for intangible assets		(13,890)	(13,890)
Proceeds from disposal of property, plant and equipment		-	13,578
Proceeds from redemption of investments		-	984,037
Net cash provided by/(used in) investing activities		(243,087)	980,149
Cash flows from financing activities			
Interest and other finance costs paid		(29,064)	(18,964)
Dividends paid	20	(450,217)	(450,217)
Repayment of lease liabilities	17	(103,773)	(119,192)
Net cash used in financing activities		(583,054)	(588,373)
Net increase/(decrease) in cash and cash equivalents		(47,787)	8,402
Cash and cash equivalents at the beginning of the financial year		81,400	72,998
Cash and cash equivalents at the end of the financial year	10	33,613	81,400

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

Ku-ring-gai Financial Services Limited
Notes to the financial statements
30 June 2026

Note 1. Reporting entity

The financial statements cover Ku-ring-gai 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 318 Pacific Highway Lindfield NSW 2070.

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) as issued 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 22 September 2026. 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 recently 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 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 *Presentation of Financial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

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

Note 3. Material accounting policy information (continued)

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. Investments are carried at amortised cost using the effective interest rate method adjusted.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

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

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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

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 company 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.

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.

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

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.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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 October 2028.

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 borne by Bendigo Bank 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 several operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Restatement of comparatives

Reclassification of investment account
During the year, the company reassessed the classification of certain Sandhurst investment products under AASB 107 Statement of Cash Flows and AASB 9 Financial Instruments. The Sandhurst investment products, previously classified as cash and cash equivalents, has been reclassified as an investment. This reflects the assets nature as a managed investment product.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by $203,411 in the Statement of financial position at 30 June 2025;
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly; and
- Related movements are now shown as investing activities in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

Note 7. Revenue from contracts with customers

	2026 $	2025 $
Margin income	2,515,728	2,581,668
Fee income	86,235	91,942
Commission income	152,102	178,318
	2,754,065	2,851,928

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 to be 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.

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

Bendigo Bank may 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 8. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	753,984	756,851
Superannuation contributions	87,395	86,961
Expenses related to long service leave	11,780	16,004
Other expenses	70,903	52,697
	924,062	912,513

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	33,315	1,067
Furniture and fittings	9,025	2,025
Office equipment	1,031	901
	43,371	3,993
Depreciation of right-of-use assets		
Leased land and buildings	118,055	120,500
Amortisation of intangible assets		
Franchise fee	2,315	2,315
Franchise renewal process fee	11,576	11,575
	13,891	13,890
	175,317	138,383

Finance costs

	2026 $	2025 $
Lease interest expense	29,064	18,964
Unwinding of make-good provision	1,982	1,343
	31,046	20,307

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	313,141	52,928
Contribution to the Community Enterprise Foundation™	550,000	1,480,000
	863,141	1,532,928

Note 9. Income tax

	2026 $	2025 $
Income tax expense/(benefit)		
Current tax	67,533	-
Movement in deferred tax	(8,784)	(22,623)
Recoupment of prior year losses	36,086	-
Aggregate income tax expense/(benefit)	94,835	(22,623)
Prima facie income tax reconciliation		
Profit/(loss) before income tax (expense)/benefit	346,365	(112,486)
Tax at the statutory tax rate of 25%	86,591	(28,122)
Tax effect of:		
Non-deductible expenses	8,244	5,499
Income tax expense/(benefit)	94,835	(22,623)

Effective tax rate is 27.4% (2025: 20.1%)

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Tax losses	-	36,086
Property, plant and equipment	6,374	16,481
Employee benefits	36,516	26,147
Lease liabilities	87,268	117,818
Provision for lease make good	7,623	7,549
Income accruals	(13,078)	(17,603)
Right-of-use assets	(73,664)	(108,206)
Expense accruals	1,111	1,180
Deferred tax asset	52,150	79,452

	2026 $	2025 $
Income tax refund due	106,011	265,322

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 10. Cash and cash equivalents

	2026 $	2025 $
Cash on hand	200	200
Cash at bank	33,413	81,200
	33,613	81,400

Note 11. Trade and other receivables

	2026 $	2025 $
Trade receivables	240,669	226,443
GST receivable	5,364	95,126
Accrued income	52,311	70,411
Prepayments	6,655	6,358
	64,330	171,895
	304,999	398,338

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	304,999	398,338
Less GST (refundable from) / payable to the ATO, included in trade and other receivables	(5,364)	(95,126)
Less prepayments, included in trade and other receivables	(6,655)	(6,358)
	292,980	296,854

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. 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.

Note 12. Investments

	2026 $	2025 $
Current assets		
Term deposits	2,534,087	2,484,087
Managed funds	553,411	531,981
	3,087,498	3,016,068

Note 13. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	375,439	383,495
Less: Accumulated depreciation	(278,268)	(244,953)
	97,171	138,542
Furniture and fittings - at cost	117,327	87,432
Less: Accumulated depreciation	(87,008)	(78,033)
	30,319	9,399
Office equipment - at cost	3,584	3,584
Less: Accumulated depreciation	(2,378)	(1,347)
	1,206	2,237
	128,696	150,178

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

	Leasehold improvements $	Furniture and fittings $	Office equipment $	Total $
Balance at 1 July 2024	3,238	11,051	524	14,813
Additions	136,371	1,141	2,614	140,126
Disposals	-	(768)	-	(768)
Depreciation	(1,067)	(2,025)	(901)	(3,993)
Balance at 30 June 2025	138,542	9,399	2,237	150,178
Additions	19,122	2,862	-	21,984
Disposals	-	(95)	-	(95)
Transfers in/(out)	(27,178)	27,178	-	-
Depreciation	(33,315)	(9,025)	(1,031)	(43,371)
Balance at 30 June 2026	97,171	30,319	1,206	128,696

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

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

Leasehold improvements	4 to 10 years
Furniture and fittings	1 to 40 years
Motor vehicle	4 years
Office equipment	3 to 5 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, whichever is the shorter.

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 14. Right-of-use assets

	2026 $	2025 $
Land and buildings	1,042,256	1,062,369
Less: Accumulated depreciation	(747,599)	(629,544)
	294,657	432,825

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 2024	145,798
Remeasurement adjustments	407,527
Depreciation expense	(120,500)
Balance at 30 June 2025	432,825
Remeasurement adjustments	(20,113)
Depreciation expense	(118,055)
Balance at 30 June 2026	294,657

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 17 for more information on lease arrangements.

Note 15. Intangible assets

	2026 $	2025 $
Franchise fee	36,650	36,650
Less: Accumulated amortisation	(31,318)	(29,003)
	5,332	7,647
Franchise renewal fee	133,249	133,249
Less: Accumulated amortisation	(106,588)	(95,012)
	26,661	38,237
	31,993	45,884

Note 15. Intangible assets (continued)

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 2024	9,962	49,812	59,774
Amortisation expense	(2,315)	(11,575)	(13,890)
Balance at 30 June 2025	7,647	38,237	45,884
Amortisation expense	(2,315)	(11,576)	(13,891)
Balance at 30 June 2026	5,332	26,661	31,993

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.

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2028

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

Note 16. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	12,811	22,445
Other payables and accruals	99,008	224,829
	111,819	247,274
Non-current liabilities		
Other payables and accruals	15,279	30,559
	127,098	277,833

Note 17. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	134,534	126,920
Non-current liabilities		
Land and buildings lease liabilities	214,538	344,352
	349,072	471,272

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	471,272	178,697
Remeasurement adjustments	(18,427)	411,767
Lease interest expense	29,064	18,964
Lease payments - total cash outflow	(132,837)	(138,156)
	349,072	471,272

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 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
Lindfield branch	5.85%	8 years	N/A	N/A	November 2028

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	1,326,925	1,326,925	1,326,925	1,326,925
Bonus shares (1:1)	924,160	924,160	-	-
Less: Equity raising costs	-	-	(68,400)	(68,400)
	2,251,085	2,251,085	1,258,525	1,258,525

Note 18. Issued capital (continued)

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

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"), being 343. As at the date of this report, the company had 458 shareholders (2025: 467 shareholders).

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

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

Note 18. Issued capital (continued)

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 19. Capital management

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

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

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

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorships. Charitable donations and sponsorships 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 20. Dividends

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

	2026 $	2025 $
Fully franked dividend of 20 cents per share (2025: 20 cents)	450,217	450,217

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

Note 20. Dividends (continued)

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	1,212,230	1,112,913
Franking credits/(debits) arising from income taxes paid/(received)	(353,763)	(132,489)
Franking debits from the payment of franked distributions	(150,072)	(150,072)
Franking credits from instalments paid	261,985	381,878
	970,380	1,212,230
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	970,380	1,212,230
Franking credits (debits) that will arise from payment (refund) of income tax	(106,011)	(265,322)
Franking credits available for future reporting periods	864,369	946,908

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%.

Note 21. Financial risk management

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

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

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

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

Note 21. Financial risk management (continued)

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

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 10)	33,613	81,400
Trade and other receivables excluding prepayments (note 11)	292,980	296,854
Investments (note 12)	2,534,087	2,484,087
	2,860,680	2,862,341
Financial assets at fair value through profit or loss		
Investments (note 12)	553,411	531,981
Financial liabilities		
Trade and other payables (note 16)	127,098	277,833
Lease liabilities (note 17)	349,072	471,272
	476,170	749,105

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

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

The company's financial assets measured at FVTPL comprise investments in managed funds over which the company does not have significant influence nor control.

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Note 21. Financial risk management (continued)

Interest-bearing assets are held with Bendigo Bank in both fixed rate term ($3,087,498 (2025: $3,016,068)) and variable rate products ($33,413 (2025: $81,200)). The balances held in fixed rate term products are subject to changes in market interest rates following the expiry and re-investment of those balances, whilst the balances held in variable rate products are subject to changes in variable market interest rates.

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.

2026	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	111,819	15,279	-	127,098
Lease liabilities	151,453	224,210	-	375,663
Total non-derivatives	263,272	239,489	-	502,761

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	247,274	30,559	-	277,833
Lease liabilities	145,170	363,330	-	508,500
Total non-derivatives	392,444	393,889	-	786,333

Note 22. Key management personnel disclosures

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

Jennifer Gai Anderson
Kristyn Ann Haywood
Dale Crosby
Edward John Kitchener
Panagiota (Betty) Balassis
Ka Keung (Kenneth) Kok
Marianne Broeng
David Andrew Langdon
Julie Fidler

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

Note 23. Transactions with related entities

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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.

Note 23. Transactions with related entities (continued)

Transactions with related parties
During the year ended 30 June 2026, the company made sponsorships to community groups where company directors also are committee members, at a value of $1,500.

During the year ended 30 June 2026, the company paid membership fees to community groups where company directors also are committee members, at a value of $300.

During the year ended 30 June 2026, the company received funds from community groups where company directors also are committee members, at a value of $1,000.

There were no other transactions with related parties during the current or previous financial year.

Note 24. 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:

	2026 $	2025 $
Audit services		
Audit or review of the financial statements	9,845	8,192
Other services		
Taxation advice and tax compliance services	2,586	265
General advisory services	3,562	2,480
Share registry services	12,348	10,687
	18,496	13,432
	28,341	21,624

Note 25. Reconciliation of profit/(loss) after income tax to net cash provided by/(used in) operating activities

	2026 $	2025 $
Profit/(loss) after income tax (expense)/benefit for the year	251,530	(89,863)
Adjustments for:		
Depreciation and amortisation	175,317	138,383
Net loss on disposal of non-current assets	95	768
Lease liabilities interest	29,064	18,964
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	93,339	(59,979)
Decrease/(increase) in current tax assets	159,311	(249,390)
Decrease/(increase) in deferred tax assets	27,302	(22,623)
Increase in trade and other payables	624	41,181
Increase/(decrease) in employee benefits	41,477	(8,558)
Increase/(decrease) in provisions	295	(152,257)
Net cash provided by/(used in) operating activities	778,354	(383,374)

Note 26. Earnings per share

	2026 $	2025 $
Profit/(loss) after income tax attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited	251,530	(89,863)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,251,085	2,251,085
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,251,085	2,251,085
	Cents	**Cents**
Basic earnings per share	11.17	(3.99)
Diluted earnings per share	11.17	(3.99)

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited by the weighted average number of ordinary shares outstanding during the financial year.

Note 27. Commitments

The company has no commitments contracted for, other than reflected in the financial statements.

Note 28. Contingencies

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

Note 29. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 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.

Ku-ring-gai Financial Services Limited
Directors' declaration
30 June 2026

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 2026 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.



Jennifer Gai Anderson
Chair

22 September 2026

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 members of Ku-ring-gai Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Ku-ring-gai Financial Services Limited (the company), 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 2026 and of its financial performance for the year ended on that date
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of the company, which comprises the:

- Statement of financial position as at 30 June 2026
- Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- Statement of changes in equity for the year ended 30 June 2026
- Statement of cash flows for the year ended 30 June 2026
- notes to the financial statements, including material accounting policies, and
- 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 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.

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 Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 22 September 2026

Lachlan Tatt
Lead Auditor

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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879