

Annual Report 2025

Kwinana Community Financial
Services Limited

Community Bank
Kwinana

ABN 89 169 535 228

Kwinana Community Financial Services Ltd

Chairman's Report

For the year ended 30th June 2025

On behalf of the Board of Kwinana Community Financial Services Ltd, I am pleased to provide my Chairman's report for the Company's Annual Report for the 2024/2025 financial year. This Annual Report includes our Directors' report, our Manager's report, the Financial Report 2024/25, and the Auditor's reports.

On 20th June 2025 we celebrated ten years since our branch opened in 2015 followed by a birthday celebration at the Darius Wells Resource Centre on 18th July 2025. The celebration included directors, past directors, shareholders, current staff, previous manager Ashley Blower and State and Regional Managers Joe Faraone and Paul Tribbeck. The event was well attended and provided an opportunity to celebrate and thank shareholders, directors and staff for their contribution over an exciting period of success, working together as our new community bank family.

In June 2025 we also celebrated the extension of the community bank franchise for another five years and acknowledge that although we are only in our infancy, we are pleased to have contributed over \$109,000 to our community through sponsorships, grants, donations and dividends since commencing operations including having paid a dividend for the second consecutive year.

Our financial report shows a profit for the year of \$ 107,206 after allowing for income tax, donations and sponsorship compared to \$96,638 (2024) and puts us on a sound footing to continue supporting our community.

Our community bank operates an online share registry platform. Although the new system streamlines our process it has taken time for the shareholders to recognise that communication coming from Registry Direct is in fact coming from our company. Several shareholders have not responded to our request for bank details for their dividends and run the risk of their funds being returned to consolidated revenue and held by government.

If you haven't updated your tax file number and bank account details please do so, if you need help just contact me.

Congratulations again to our staff, Branch Manager Kelly Litton, Branch Operations Manager Merit Moore Eva, Cheyenne, Rebecca and Sarah on their achievements this year, they continue to provide excellent professional and friendly service and are the largest single factor in the growing of the business.

Your Board continues to meet, reviewing its governance and finances, I thank them for their time, dedication and passion in continuing with their voluntary commitment to our community. I am very conscious that some of our board members have been involved for a very long time and although they enjoy the role immensely, we always need to consider fresh ideas and the need to develop a succession plan to meet the challenges ahead. Please consider joining our community bank team.

Your Board continues to be excited to be working with shareholders and staff and looks forward to a strong future working in and with the Kwinana community.

Yours sincerely,

John Iriks Chairman
Yours sincerely,



John Iriks Chairman

ABN 89 169 535 228
Kwinana Community Financial Services Ltd
C/- AFS & Associates Pty Ltd
61 Bull Street Bendigo Victoria 3550
Kwinana office Phone 0417904419,
Email secretary@kcfs.com.au
Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879

Managers' Report

For the year ending 30 June 2025

It is with great pleasure I am providing the Branch Managers report for Kwinana Community Financial services LTD for financial year ending 30 June 2025.

This has been one of our busiest years to date from a growth perspective which is a great sign of the potential our branch has in the future. Our community is still choosing to bank local, with good old-fashioned branch service. We celebrated our 10th Birthday in July, which was a wonderful evening where we were able to celebrate all our achievements over the past 10 years. Thanks to everyone who attended and who have contributed to our success since inception.

I am pleased to announce KCFSL have had strong growth within all aspects of our business. Our net customer growth had an uplift of 23.06% from last year. Lending growth of \$10 million – which consisted of us being able to assist First home buyers, families obtain their dream homes & new to bank customers to refinance and switch to Australia's most trusted bank. Deposit growth of \$14 million. Finishing the year 260% of our target overall.

I will take this opportunity to praise the hard work and dedication our team have shown throughout this year. The results above come from a team that consistently work together for the best possible outcomes for our customers and the community.

If you don't already bank with Community Bank Kwinana, I would like to extend an invitation to reach out and book an appointment with us to experience our excellent customers service we offer and our point of difference.

We have had some staff changes this financial year. Onboarding one new staff member, Sarah Azevedo. Sarah started with us in August 2025. I would like to take this opportunity to welcome Sarah to the Community Bank Kwinana Team. You will also remember our familiar faces Merit Moore who has been with us since we opened our doors in 2015 and celebrated her 10 years of service, Eva Scanlan since 2018, Cheyenne Lloyd & Bec McDougall who both started in 2024.

And lastly, I would like to thank our shareholders, directors and customers. Without your trust in what we do each day we would not be able to continue to feed into the Kwinana communities' prosperity not off it.

Kelly Litton
Branch Manager

Community Bank Report 2025

BEN Message

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

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

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

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

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

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

Justine Minne

Head of Community Banking, Bendigo Bank

Kwinana Community Financial Services Ltd

ABN 89 169 535 228

Financial Report - 30 June 2025

Kwinana Community Financial Services Ltd

Directors' report

30 June 2025

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

Directors

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

Name:	Johannes Maria Iriks
Title:	Non-executive director
Experience and expertise:	Director of KPC Accounting Pty Ltd to 19 July 2023 retired after 30 years in Public Accounting and Taxation. Fellow (Retired) Institute of Public Accountants, Managing Director KPC Investments Pty Ltd, Director of Kwinana Community Chest Pty Ltd, Director of Finance, Kwinana Golf Club Inc., Chairman St Vincent Parish Finance Committee, Past District Governor of Rotary International, Justice of the Peace.
Special responsibilities:	Chair of Corporate Governance Committee, Member of Marketing Committee.
Name:	Wayne Milnes
Title:	Non-executive director
Experience and expertise:	Wayne worked for The National Australia Bank Ltd for over 30 years in metropolitan Perth and country Western Australia with over 15 years experience as a Relationship/Business Banking Manager. Wayne retired in 2020. He was educated at Medina Primary School and Kwinana Senior High School (now Gilmour College). Wayne holds a Diploma of Management from Deakin University and Certificate IV in Property Services Real Estate. He is a member of Rotary International since 2005 and was President of Rotary Club of Safety Bay Port Kennedy Rotary Club from 2006-2007, and Rockingham Rotary Club Inc. from 2008-2009. Wayne was a Rotary District 9465 Secretary from 2011-2013, Rotary District 9465 Assistant Governor Peel Region from 2013-2016 and District 9465 Governor from 2019-2020.
Special responsibilities:	Treasurer, Due Diligence Committee, Property Committee.
Name:	Stephen Paul Williams
Title:	Non-executive director
Experience and expertise:	Stephen is Director SPW Business Pty Ltd, and Fellow of the Institute of Public Accountants. Born in the UK and migrating to Australia in June 1991, his working life in the UK was with Barclays Bank PLC for 17 years, before changing careers from banking to accounting. During the years with Barclays Bank PLC, Steve started at the bottom and was trained in all aspects of branch and business banking, culminating in the position of Principal of Corporate Securities at the Tottenham Court Road Barclays Business Centre in London. The Centre controlled three retail branches along Tottenham Court Road and handled the processing of lending, treasury deposits and all aspects of registering loan security. Prior to entering the accounting profession Steve volunteered as a director of the Rockingham Basketball Association to support his children and their friends in a sporting activity. Steve part owned and acted as financial manager of a child care centre after initially qualifying as an accountant, which was in part funded by the government, with all the compliance and audit requirements that such funding entails. His current work includes auditing and business advisory services, on a semi-retired basis.
Special responsibilities:	Company Secretary, Corporate and Governance Committee.

Kwinana Community Financial Services Ltd

Directors' report

30 June 2025

Name:	Maxwell John Bird
Title:	Non-executive director
Experience and expertise:	Until his retirement Max was the General Manager of Rail Solutions Australia a successful family owned company offering support and advice to selected clients in the rail industry in Australia and South East Asia. Max has also worked with Calibre Rail, MVM Rail, Worley Parsons, Works Infrastructure, LB Consultants, John Holland and Westrail. Max has been a member of the Kwinana Rotary Club for over 20 years and served as Community Director, Treasurer and International Director, currently Project Manager for community projects within Timor-Leste. He served as Club President in 2015/2016. Max also received a Paul Harris Fellow award in 2014 from Rotary International for services to Timor-Leste community.
Special responsibilities:	Chair of Human Resources Committee.
Name:	Leslie Harris Whiddett
Title:	Non-executive director
Experience and expertise:	Les has worked in the plumbing and gas industries for 40 years owning a contracting business as a working director. He was a member of the Wandi Progress Association for 25 years and has served on committees, worked as treasurer, President and currently Vice President. Les is also a member of the Handtool Preservation Society, where he is a committee member, Finewood Association, Marquetry and Wandi Wood turners club. Presently, Les is the Wandi Landcare Convener arranging tree planting and environmental days, Clean Up Australia and Neighbour Day.
Special responsibilities:	Vice Chairman, Chair of the Property Committee, Member of Human Resources Committee, Member of Corporate Governance.
Name:	Christopher Michael Duke
Title:	Non-executive director
Experience and expertise:	Christopher holds a Bachelor of Policing, a Graduate Certificate in Commerce and a Masters of Politics and Policy. From 2020 to 2022, he served on the board of OVIS Community Services, the Mandurah and Peel Region's largest domestic violence not-for-profit and operator of two refuges serving the Western Australian community. Christopher has also been the Assistant Treasurer and Vice Chair of the Western Australian branch of the international Police Association. His public service commenced in 2009 as a firefighter with Fire and Rescue NSW and continues to his current employment as a detective with Western Australia Police. In addition to these roles, Christopher has worked in a number of small businesses and as a journalist for Fairfax Rural Press.
Special responsibilities:	Marketing Committee and social media responsibilities.
Name:	David George Redpath
Title:	Non-executive director
Experience and expertise:	Business Manager - Australian Gout Solicitor MBA UNSW MACC Curtin Rugby WA Board Member President (Western Force) President Gilmore College Alumni Associate Chair Gilmore College Board
Special responsibilities:	Chair Human Resource Committee & Member of Governance Committee

Company secretary

There have been two company secretaries holding the position during the financial year:

- Wayne Miles was appointed company secretary on 1 December 2024.
- Stephen Paul Williams was appointed company secretary on 22 May 2014 and ceased on 1 December 2024.

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.

Kwinana Community Financial Services Ltd

Directors' report

30 June 2025

Review of operations

The profit for the company after providing for income tax amounted to \$107,206 (2024: \$96,638).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Unfranked dividend of 3 cents per share (2024: 3 cents)	34,800	34,800

Significant changes in the state of affairs

On 4 June 2025, the company entered into a new franchise agreement with Bendigo Bank. The agreement provides the company with rights to operate as a Community Bank franchisee for a further term of five years.

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

The number of directors meetings attended by each of the directors of the company during the financial year were:

	Board Eligible	Attended
Johannes Maria Iriks	11	10
Wayne Milnes	11	9
Stephen Paul Williams	11	10
Maxwell John Bird	11	6
Leslie Harris Whiddett	11	11
Christopher Michael Duke	11	4
David George Redpath	11	8

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Kwinana Community Financial Services Ltd
Directors' report
30 June 2025

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
Johannes Maria Iriks	100,001	(7,000)	93,001
Wayne Milnes	15,001	-	15,001
Stephen Paul Williams	6,101	-	6,101
Maxwell John Bird	20,001	-	20,001
Leslie Harris Whiddett	10,001	-	10,001
Christopher Michael Duke	2,250	-	2,550
David George Redpath	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or 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.

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 23 to the accounts.

Kwinana Community Financial Services Ltd
Directors' report
30 June 2025

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

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

Auditor's independence declaration

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

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

On behalf of the directors



Johannes Maria Iriks
Chair

14th September 2025



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 Kwinana Community Financial Services Ltd

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2025

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

Lachlan Tatt
Lead Auditor

Kwinana Community Financial Services Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	858,339	736,651
Finance revenue		69	-
Total revenue		<u>858,408</u>	<u>736,651</u>
Employee benefits expense	7	(514,012)	(424,952)
Advertising and marketing costs		(3,136)	(4,302)
Occupancy and associated costs		(21,650)	(21,529)
System costs		(28,351)	(25,678)
Depreciation and amortisation expense	7	(44,564)	(44,497)
Finance costs		(3,923)	(5,691)
General administration expenses		(82,518)	(75,761)
Total expenses before community contributions and income tax expense		<u>(698,154)</u>	<u>(602,410)</u>
Profit before community contributions and income tax expense		160,254	134,241
Charitable donations and sponsorships expense		<u>(17,312)</u>	<u>(7,463)</u>
Profit before income tax expense		142,942	126,778
Income tax expense	8	<u>(35,736)</u>	<u>(30,140)</u>
Profit after income tax expense for the year		107,206	96,638
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>107,206</u></u>	<u><u>96,638</u></u>
		Cents	Cents
Basic earnings per share	25	9.24	8.33
Diluted earnings per share	25	9.24	8.33

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

Kwinana Community Financial Services Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	207,135	64,013
Trade and other receivables	10	60,346	58,794
Total current assets		<u>267,481</u>	<u>122,807</u>
Non-current assets			
Property, plant and equipment	11	28,932	42,582
Right-of-use assets	12	100,262	106,887
Intangible assets	13	71,424	13,102
Deferred tax assets	8	210,921	246,657
Total non-current assets		<u>411,539</u>	<u>409,228</u>
Total assets		<u>679,020</u>	<u>532,035</u>
Liabilities			
Current liabilities			
Trade and other payables	14	65,800	44,793
Lease liabilities	15	23,096	22,315
Employee benefits	16	35,956	25,261
Total current liabilities		<u>124,852</u>	<u>92,369</u>
Non-current liabilities			
Trade and other payables	14	47,140	-
Lease liabilities	15	92,290	100,635
Employee benefits	16	4,365	1,064
Total non-current liabilities		<u>143,795</u>	<u>101,699</u>
Total liabilities		<u>268,647</u>	<u>194,068</u>
Net assets		<u>410,373</u>	<u>337,967</u>
Equity			
Issued capital	17	1,120,118	1,120,118
Accumulated losses		<u>(709,745)</u>	<u>(782,151)</u>
Total equity		<u>410,373</u>	<u>337,967</u>

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

Kwinana Community Financial Services Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		1,120,118	(843,989)	276,129
Profit after income tax expense		-	96,638	96,638
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	96,638	96,638
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(34,800)	(34,800)
Balance at 30 June 2024		<u>1,120,118</u>	<u>(782,151)</u>	<u>337,967</u>
 Balance at 1 July 2024		 1,120,118	 (782,151)	 337,967
Profit after income tax expense		-	107,206	107,206
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	107,206	107,206
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(34,800)	(34,800)
Balance at 30 June 2025		<u>1,120,118</u>	<u>(709,745)</u>	<u>410,373</u>

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

Kwinana Community Financial Services Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		926,870	824,989
Payments to suppliers and employees (inclusive of GST)		(712,733)	(640,862)
Interest and other finance costs paid		-	(1,163)
Net cash provided by operating activities	24	<u>214,137</u>	<u>182,964</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(895)
Payments for intangible assets		<u>(13,541)</u>	<u>(13,541)</u>
Net cash used in investing activities		<u>(13,541)</u>	<u>(14,436)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(3,923)	(4,528)
Dividends paid	19	(34,800)	(34,800)
Repayment of lease liabilities		<u>(18,751)</u>	<u>(17,927)</u>
Net cash used in financing activities		<u>(57,474)</u>	<u>(57,255)</u>
Net increase in cash and cash equivalents		143,122	111,273
Cash and cash equivalents at the beginning of the financial year		<u>64,013</u>	<u>(47,260)</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>207,135</u></u>	<u><u>64,013</u></u>

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

Kwinana Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 1. Reporting entity

The financial statements cover Kwinana Community Financial Services Ltd (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:

Registered office

61 Bull Street
Bendigo VIC 3550

Principal place of business

Suite 4, 4 Challenger Avenue
Kwinana Town Centre WA 6167

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

Note 2. Basis of preparation and statement of compliance

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14th September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of non-financial assets

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

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

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.

Kwinana Community Financial Services Ltd
Notes to the financial statements
30 June 2025

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.

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.

Dividend declaration

The company declared dividends during the year despite being in a position of accumulated accounting losses. The directors obtained legal advice regarding compliance with the *Corporations Act 2001*, including section 254T, and the relevance of the common law 'profits test'.

Based on that advice, the directors formed the view that the company met the statutory dividend test and that the common law profits test no longer applies under current Australian corporate law. This assessment involved significant judgement due to ongoing debate in professional circles on the continuing relevance of the common law test.

The directors are satisfied that the dividend declaration was compliant with the company's constitution, franchise agreement, and the *Corporations Act 2001*.

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.

Going concern

At each reporting date management must assess the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

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

Recovery of deferred tax assets

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

Lease term

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

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

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 assesses impairment of non-financial 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 as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

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 is party to 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 this franchise agreement. On 4 June 2025, the company entered into a new franchise agreement for a further term of five years.

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.

Kwinana Community Financial Services Ltd
Notes to the financial statements
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Note 5. Economic dependency (continued)

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	775,007	656,324
Fee income	38,569	36,303
Commission income	44,763	44,024
	<u>858,339</u>	<u>736,651</u>

Accounting policy for revenue from contracts with customers

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

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

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

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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.

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Notes to the financial statements
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Note 6. Revenue from contracts with customers (continued)

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

Revenue calculation

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

Margin income

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

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	417,130	373,398
Superannuation contributions	49,122	39,161
Expenses related to long service leave	(1,586)	(6,013)
Other expenses	49,346	18,406
	<u>514,012</u>	<u>424,952</u>

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Note 7. Expenses (continued)

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	12,685	12,867
Plant and equipment	965	875
	<u>13,650</u>	<u>13,742</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>17,812</u>	<u>17,655</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,184	2,183
Franchise renewal fee	10,918	10,917
	<u>13,102</u>	<u>13,100</u>
	<u><u>44,564</u></u>	<u><u>44,497</u></u>

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Movement in deferred tax	(6,672)	(765)
Under/over adjustment	-	(1,729)
Recoupment of prior year tax losses	42,408	32,634
	<u>35,736</u>	<u>30,140</u>
Aggregate income tax expense		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	142,942	126,778
Tax at the statutory tax rate of 25%	35,736	31,695
Tax effect of:		
Non-deductible expenses	-	174
	35,736	31,869
Under/over adjustment	-	(1,729)
Income tax expense	<u>35,736</u>	<u>30,140</u>
	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	204,297	246,706
Property, plant and equipment	(7,233)	(10,645)
Employee benefits	10,080	6,581
Lease liabilities	28,846	30,737
Income accruals	(4)	-
Right-of-use assets	(25,065)	(26,722)
Deferred tax asset	<u>210,921</u>	<u>246,657</u>

Kwinana Community Financial Services Ltd
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Note 8. Income tax (continued)

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 deferred tax

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

Note 9. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	107,135	64,013
Deposits at call	100,000	-
	<u>207,135</u>	<u>64,013</u>

Note 10. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	56,400	49,840
Accrued income	19	-
Prepayments	3,927	8,954
	<u>3,946</u>	<u>8,954</u>
	<u>60,346</u>	<u>58,794</u>

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 11. Property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	85,364	85,364
Less: Accumulated depreciation	<u>(63,547)</u>	<u>(50,862)</u>
	21,817	34,502
Plant and equipment - at cost	36,155	36,155
Less: Accumulated depreciation	<u>(29,040)</u>	<u>(28,075)</u>
	7,115	8,080
	<u>28,932</u>	<u>42,582</u>

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Note 11. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	47,369	8,060	55,429
Additions	-	895	895
Depreciation	<u>(12,867)</u>	<u>(875)</u>	<u>(13,742)</u>
Balance at 30 June 2024	34,502	8,080	42,582
Depreciation	<u>(12,685)</u>	<u>(965)</u>	<u>(13,650)</u>
Balance at 30 June 2025	<u><u>21,817</u></u>	<u><u>7,115</u></u>	<u><u>28,932</u></u>

Accounting policy for property, plant and equipment

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

Leasehold improvements	5 to 10 years
Plant and equipment	4 to 6 years

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

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

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

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	188,352	177,165
Less: Accumulated depreciation	<u>(88,090)</u>	<u>(70,278)</u>
	<u><u>100,262</u></u>	<u><u>106,887</u></u>

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

	Land and buildings \$
Balance at 1 July 2023	120,345
Remeasurement adjustments	4,197
Depreciation expense	<u>(17,655)</u>
Balance at 30 June 2024	106,887
Remeasurement adjustments	11,187
Depreciation expense	<u>(17,812)</u>
Balance at 30 June 2025	<u><u>100,262</u></u>

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

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

Refer to note 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025	2024
	\$	\$
Franchise fee	132,822	120,918
Less: Accumulated amortisation	<u>(120,918)</u>	<u>(118,734)</u>
	<u>11,904</u>	<u>2,184</u>
Franchise renewal fee	114,108	54,588
Less: Accumulated amortisation	<u>(54,588)</u>	<u>(43,670)</u>
	<u>59,520</u>	<u>10,918</u>
	<u><u>71,424</u></u>	<u><u>13,102</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	4,367	21,835	26,202
Amortisation expense	<u>(2,183)</u>	<u>(10,917)</u>	<u>(13,100)</u>
Balance at 30 June 2024	2,184	10,918	13,102
Additions	11,904	59,520	71,424
Amortisation expense	<u>(2,184)</u>	<u>(10,918)</u>	<u>(13,102)</u>
Balance at 30 June 2025	<u><u>11,904</u></u>	<u><u>59,520</u></u>	<u><u>71,424</u></u>

Additions

During the financial year the company renewed its franchise agreement with Bendigo Bank, resulting in \$71,424 of intangible asset additions.

Accounting policy for intangible assets

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

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

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

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Note 13. Intangible assets (continued)

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise establishment fee	Straight-line	Over the franchise term (5 years)	June 2030
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2030

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

Note 14. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	-	2,005
Other payables and accruals	65,800	42,788
	<u>65,800</u>	<u>44,793</u>
<i>Non-current liabilities</i>		
Other payables and accruals	47,140	-
	<u>47,140</u>	<u>-</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	112,940	44,793
Less: other payables and accruals (net GST payable to the ATO)	(18,471)	(14,075)
	<u>94,469</u>	<u>30,718</u>

Note 15. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	23,096	22,315
	<u>23,096</u>	<u>22,315</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	92,290	100,635
	<u>92,290</u>	<u>100,635</u>
<i>Reconciliation of lease liabilities</i>		
	2025	2024
	\$	\$
Opening balance	122,950	136,322
Remeasurement adjustments	11,187	4,555
Lease interest expense	3,923	4,528
Lease payments - total cash outflow	(22,674)	(22,455)
	<u>115,386</u>	<u>122,950</u>

Accounting policy for lease liabilities

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

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Note 15. Lease liabilities (continued)

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
Kwinana Branch	3.54%	5 years	N/A	N/A	July 2030

Note 16. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	26,941	11,336
Long service leave	9,015	13,925
	<u>35,956</u>	<u>25,261</u>
<i>Non-current liabilities</i>		
Long service leave	<u>4,365</u>	<u>1,064</u>

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	1,160,008	1,160,008	1,160,008	1,160,008
Less: Equity raising costs	-	-	(39,890)	(39,890)
	<u>1,160,008</u>	<u>1,160,008</u>	<u>1,120,118</u>	<u>1,120,118</u>

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Note 17. 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

Ordinary shares

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 (see below).

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- 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"). The base number is 326. As at the date of this report, the company had 352 shareholders (2024: 359 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.

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Note 17. 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 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Unfranked dividend of 3 cents per share (2024: 3 cents)	34,800	34,800

Accounting policy for dividends

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

Refer to note 4 for disclosure of key judgements applied by the directors in determining the appropriateness of dividends declared during the period.

Note 20. 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.

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Note 20. Financial risk management (continued)

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.

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

	2025 \$	2024 \$
Financial assets		
Trade and other receivables (note 10)	56,419	49,840
Cash and cash equivalents (note 9)	207,135	64,013
	<u>263,554</u>	<u>113,853</u>
Financial liabilities		
Trade and other payables (note 14)	94,469	30,718
Lease liabilities (note 15)	115,386	122,950
	<u>209,855</u>	<u>153,668</u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 10 for further information.

Financial liabilities

Kwinana Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 20. Financial risk management (continued)

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$207,135 at 30 June 2025 (2024: \$64,013).

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Price risk

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

Liquidity risk

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	2025 \$	2024 \$
Bank overdraft	-	50,000

The company closed their overdraft facility in the financial year.

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	47,329	47,140	-	94,469
Lease liabilities	23,468	102,376	-	125,844
Total non-derivatives	70,797	149,516	-	220,313
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	30,718	-	-	30,718
Lease liabilities	22,674	90,696	22,674	136,044
Total non-derivatives	53,392	90,696	22,674	166,762

Kwinana Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 21. Key management personnel disclosures

The following persons were directors of Kwinana Community Financial Services Ltd during the financial year and/or up to the date of signing of these Financial Statements.

Johannes Maria Iriks
Wayne Milnes
Stephen Paul Williams
Maxwell John Bird

Leslie Harris Whiddett
Christopher Michael Duke
David George Redpath

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

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

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	\$	\$
Johannes Iriks is a Director and shareholder of KPC Investments Pty Ltd who is the owner of Kwinana Professional Centre, Suite 4 which is the building leased by the company.	30,918	30,699

Note 23. Remuneration of auditors

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

	2025	2024
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	2,132	700
General advisory services	3,760	3,070
Share registry services	7,426	7,228
	<u>13,318</u>	<u>10,998</u>
	<u>21,248</u>	<u>17,648</u>

Kwinana Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	107,206	96,638
Adjustments for:		
Depreciation and amortisation	44,564	44,497
Lease liabilities interest	3,923	4,528
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(12,295)	11,338
Decrease in deferred tax assets	35,736	30,140
Increase in trade and other payables	21,007	5,694
Increase/(decrease) in employee benefits	13,996	(9,871)
Net cash provided by operating activities	<u>214,137</u>	<u>182,964</u>

Note 25. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>107,206</u>	<u>96,638</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,160,008</u>	<u>1,160,008</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,160,008</u>	<u>1,160,008</u>
	Cents	Cents
Basic earnings per share	9.24	8.33
Diluted earnings per share	9.24	8.33

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

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

Kwinana Community Financial Services Ltd
Directors' declaration
30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Johannes Maria Iriks
Chair

14th September 2025



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

Independent auditor's report to the Directors of Kwinana Community Financial Services Ltd

Report on the audit of the financial report

Our opinion

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

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

What we have audited

We have audited the financial report of Kwinana Community Financial Services Ltd (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

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



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Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2025

Lachlan Tatt
Lead Auditor

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