

Annual Report 2025

Lockmore Financial Services
Limited

Community Bank
Elmore, Lockington and Rochester
ABN 41 106 113 599





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1. Students from **Lockington Consolidated School** in front of their new ninja playground – an initiative funded by Lockmore, Lockington Business Centre, Perfect Italiano, Lockington Action Club & Lockington Parents & Friends Committee.
2. Assistant Branch Manager Clay Anstee & Director Julianne Hand with Matt Meade & David Harris from **Rochester Ambulance Aux** – recipients of a new infant task trainer through Lockmore's April 2025 Community Sponsorship Program.
3. **2025 University Scholarship Recipients** – Angus Giffin, Jude Mussared, Tara Atley, Hugh Kerlin, Blake Roulston & Nate Rasmussen with Senior Branch Manager James Pietromonaco & Director Julianne Hand (missing Maddison Pearse, Jude Ryan & Giselle Crawford).
4. Customer Service Officer Emily Johnson with Kathy Tuohey (Elmore Primary Health) & Cobi Fitzpatrick, Jack Trewick and Hamish McCormick from the Elmore BNS Ball alongside the **Elmore Community Car** – a recipient of annual funding from Lockmore since 2020.
5. Chair Jo Holloway with Marshal Jacobs – Lockmore's sponsored participant in the **2025 LEAD Loddon Murray Leadership Program**.
6. Customer Service Officer Ashlee Peebles, Customer Relationship Officer Morghan Hughes & Senior Branch Manager James Pietromonaco with players from **Rochester Football Netball Club** – who were recipients of a new electronic scoreboard through Lockmore's April 2025 Community Sponsorship Program.
7. Executive Officer Lauren Ross with **Lockington Kinder kids** – happy recipients of new veggie pods through Lockmore's September 2024 Community Sponsorship Program.



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Jo Holloway
Chair & Director



Brad Drust
Vice-Chair
& Director



Ian Maddison
Director



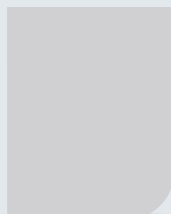
Lea Holmberg
Director



Julianne Hand
Director



Stuart Wilson
Director



Cristie Howe
Director



Lauren Ross
Executive Officer
& Company
Secretary



Sharon Ebsworth
Executive Officer
& Company
Secretary
(maternity leave
cover September
2023 – September
2024)



Leo Bruinier
Contract Finance
Officer



**James
Pietromonaco**
Senior Branch
Manager



Clay Anstee
Assistant Branch
Manager



Meg Parker
Assistant Branch
Manager (resigned
April 2025)



Paige Mylon
Customer
Relationship
Manager



Helen McCaskie
Customer Service
Supervisor



**Morghen
Hughes**
Customer
Relationship
Officer



Tanya Niven
Customer Service
Officer



Wendy Wright
Customer Service
Officer



Fiona Cuttriss
Customer Service
Officer



Lauren McKee
Customer Service
Officer



Jenny Johnson
Customer Service
Officer



**Abbey
Hromenko**
Customer Service
Officer



Lily Wareham
Customer Service
Officer (maternity
leave)



Tasman Smith
Customer Service
Officer (resigned
October 2024)



Ashlee Peebles
Trainee Customer
Service Officer

Chairman's report

For year ending 30 June 2025



It is with great pleasure that I present the Lockmore Financial Services Limited Annual Report for the financial year ending 30 June 2025.

I'd like to begin by sincerely thanking our dedicated Board of Directors: Brad Drust (Deputy Chair), Ian Maddison, Lea Holmberg, Stuart Wilson, Julianne Hand, and Cristie Howe, who officially joined us in February 2025. Their collective experience, commitment, and deep understanding of our community have made it an honour to work alongside such a capable and passionate team.

Financial Performance

We are pleased to report another strong year of financial performance, underpinned by solid results and continued community investment. Our total comprehensive income for the year reached \$200,875, enabling us to contribute an impressive \$462,845.07 back into our community. This included \$335,706.91 in sponsorships, grants and scholarships, and \$127,138.16 in dividends to local shareholders—bringing our total community contributions to date to more than \$3.8 million.

Supporting Our Communities

This year, we proudly supported 49 local community groups through sponsorships, grants, and scholarships. We remain committed to ensuring a fair and meaningful spread of funds across our districts, offering multiple avenues for community contributions.

Community Sponsorship Program

Our twice-yearly Community Sponsorship Program remains the cornerstone of our community investment. As always, we opened for applications in September 2024 & April 2025 – and we were pleased to receive a record number of applications in our latter round. Several inspiring initiatives were funded off the back of these two rounds including:

- \$15,000 for a new Ninja Playground at Lockington Consolidated School, complementing the \$45,000 already raised by students and the school community.
- Re-establishment of the Rochester Scouts after a four-year hiatus, bringing back a vital program that builds resilience, leadership, and community involvement in young people.
- 12 months of funding for Elmore Lions Club's community lunches, ensuring these monthly events remain accessible and inclusive for the whole community.

New Sponsorship Model Trial

This year we trialled an innovative sponsorship model with five local sporting clubs. Under this model, part of the sponsorship was provided upfront, with the remainder awarded based on customer referrals—recognising that our ability to give back depends directly on our customer base.

The pilot was a great success, helping fund:

- A hydration station at Rochester Netball Association
- New outdoor seating at Lockington Recreation Reserve

Chairman's report (continued)

- A commercial fridge at Toolleen Recreation Reserve
- A scarifier for Bamawm Lockington United Cricket Club
- A new scoreboard at Rochester Football Netball Club

Multi-Year Partnerships

We proudly continued our long-standing multi-year partnerships with:

- Elmore Field Days – the current iteration of our partnership is focused on reinvigorating their 'Community Bank Pavilion'.
- Campaspe Academy of Sport at Rochester Secondary College – we celebrated the 10th year of our partnership together in 2025.
- Community Car Programs via REDHS, Elmore Primary Health, and Lockington & District Bush Nursing Centre.

We also launched a new multi-year partnership with the CCLLEN L2P Program, supporting local learner drivers in Elmore, Lockington, Rochester & surrounds to gain their licence—a key step towards independence.

University & TAFE Scholarships

We were proud to provide our University & TAFE Scholarship Program for the third year running. The program is designed to help our local youth transition into their first year of study by providing them with a \$3,000 scholarship – giving them the breathing room to move out of home or adjust to travel and focus on their studies without the added pressure of finding part-time work immediately. 9 deserving recipients were awarded this year with courses ranging from Agriculture to Nursing, Sports Science to Professional Communications.

LEAD Loddon Murray Community Leadership Program

For the first time, we sponsored a local participant, Marshal Jacobs, in the LEAD Loddon Murray Community Leadership Program—an initiative that develops leadership capacity in regional areas. We're excited to see Marshal's growth and the contributions he'll make to the Lockington community.

Supporting Communities Beyond Our Borders

As a community familiar with the devastation of natural disasters, we were moved by the recent Queensland floods. In 2022, many Community Banks across Australia generously supported Rochester's flood recovery, so we were proud to return the favour this year with a \$25,000 donation to the Community Enterprise Foundation's Queensland Flood Appeal.

Acknowledgements

I would like to extend heartfelt thanks to our exceptional team:

- James Pietromonaco – Senior Branch Manager
- Clay Anstee – Assistant Branch Manager (joined May 2025)
- Paige Mylon – Customer Relationship Manager
- Helen McCaskie – Customer Service Supervisor
- Morghan Hughes – Customer Relationship Officer
- Fiona Cuttriss, Jenny Johnson, Lauren McKee, Tanya Niven, Wendy Wright & Abbey Hromenko (joined October 2024) – Customer Service Officers
- Ashlee Peebles (joined October 2024) – Trainee Customer Service Officer

Chairman's report (continued)

We also farewelled two valued team members who progressed to new roles at Bendigo Bank Head Office:

- Meg Parker (Assistant Branch Manager, left April 2025)
- Tasman Smith (left October 2024)

We welcomed back Lauren Ross, our Executive Officer, from maternity leave and sincerely thank Sharon Ebsworth for her outstanding 12-month contribution during this time. Sharon now continues her work in Community Banking with Rushworth and Tongala.

As always, thank you to Leo Bruinier, our Contract Finance Officer, who we've been lucky to contract for 9 years now.

Finally, congratulations to Lily Wareham, currently on maternity leave, and her partner Steven on the arrival of baby Daisy in March 2025. We look forward to Lily's return next year.

Looking Ahead

The coming year promises some exciting milestones:

- We anticipate surpassing \$4 million in total community contributions since our inception.
- We're also on track to reach \$1.00 in dividends per share – meaning that many long-term shareholders will have fully recouped their initial investment through dividends alone.

In Closing

To our Board, staff, shareholders, and loyal customers—thank you. Your support and belief in Community Banking has made another outstanding year possible. I look forward to what lies ahead and to continuing our mission of building stronger communities together.

Warm regards,

Jo Holloway

Chair – Lockmore Financial Services Limited

Senior Branch Manager's report

For year ending 30 June 2025



As we reflect on another year of community-driven banking, I'm pleased to present my fourth report as Senior Branch Manager of Community Bank Elmore, Rochester and Lockington. Being part of a bank that makes such an impact continues to be one of the best parts of this job and I'm proud to share a snapshot of the year we've had.

The 2024/25 financial year was another successful one for our branches.

Community Bank Elmore, Rochester and Lockington continued to perform strongly across all areas, achieving excellent business outcomes that reflect the hard work and dedication of our team. Our continued success is built on a strong branch structure, staff development & a focus on excellent service provided by my staff to the local community as well as strong community involvement.

Business Overview

As at June 2025, our combined branch network is proud to support 5,422 customers. Key business metrics include:

- **Total Loans:** \$79,139,230
- **Total Deposits:** \$205,015,559
- **Wealth Products:** \$3,096,178
- **Other Business:** \$4,047,178
- **Total Business:** \$291,393,584

Our Incredible Team

Over the past year, we've welcomed new faces, celebrated achievements, and farewelled colleagues.

In October 2024, we were delighted to have **Abbey Hromenko** (Customer Service Officer) and **Ashlee Peebles** (Customer Service Officer Trainee) join our team. Both are familiar faces in the local area.

In May 2025, **Clay Anstee** joined as our new Assistant Branch Manager. Clay brings significant lending experience from his time working in Bendigo as a Home Loan Specialist, and we're excited by the strength he adds to our leadership team.

We also said farewell to two team members who have taken on new opportunities within Bendigo Bank – **Tasman Smith** (October 2024) and **Meg Parker** (April 2025). We wish them all the best.

To my current team:

Paige Mylon (Customer Relationship Manager), **Morghan Hughes** (Customer Relationship Officer), **Helen McCaskie** (Customer Service Supervisor), **Tanya Niven** (Customer Service Officer), **Wendy Wright** (Customer Service Officer), **Fiona Cuttriss** (Customer Service Officer), **Lauren McKee** (Customer Service Officer), and **Jenny Johnson** (Customer Service Officer). I thank you for your continued support to our branches, the local community and myself. We as a team excelled in some many areas last financial year and it's a real joy to lead you all and I look forward to what we can achieve in FY25/26.

Senior Branch Manager's report

I also look forward to the return of **Lily Wareham** who will be returning from parental leave on a part-time basis in 2026. Special thankyou also to **Kendall Beattie**, our Regional Manager, for his ongoing support and guidance throughout the year. I would also like to thank our team members from the Business banking and Rural Banking team **Matt Gill, Carol Ryan, Nick Rix, Chantelle Murphy-Davies** and **Tyler Oliver** for your support towards our business.

Supporting Local Banking, Local Jobs and Our Local Community

For over 22 years, Community Bank Elmore, Rochester and Lockington has remained proudly community-focused. We continue to be committed to keeping full-service, face-to-face banking accessible across our towns.

We recently invested in the remodel of our three branches, reinforcing our commitment to a local service, local employment, and the continued ongoing support to our regional communities.

Our difference remains clear: every customer who chooses to bank with us contributes to the betterment of our region. With more than **\$3.8 million** already given back through community grants, sponsorships, scholarships, and dividends to local shareholders, the impact is real and growing.

When you bank with us, you're doing more than managing your finances – you're helping build a stronger community for the future.

A Final Thank You

I would like to thank the Board of Lockmore Financial Services for their continued leadership, community-driven vision, and ongoing support to my team and myself.

Jo Holloway (Chair), **Brad Drust** (Deputy Chair), **Ian Maddison, Lea Holmberg, Stuart Wilson, Cristie Howe** and **Julianne Hand**. It's a privilege to work with such a dedicated and forward-thinking group. The support you show myself certainly doesn't go unnoticed and allows me to perform to my best within the role.

Thank you also to **Leo Bruinier** (Contract Finance Officer), **Sharon Ebsworth**, and **Lauren Ross** (Executive Officer). There is a lot of work that goes on behind the scenes and we're lucky to have such an experienced team to ensure the smooth running of Lockmore Financial Services.

As we look ahead to the 2025/26 financial year, I remain confident in our team, our strategy, and the ongoing strength of community banking.

Thank you

James Pietromonaco
Senior Branch Manager

Community investment



2025 University Scholarship Recipients

Maddison Pearce from Rochester – studying Bachelor of Professional Communications at RMIT Melbourne

Nate Rasmussen from Rochester – studying Bachelor of Education at La Trobe Bendigo

Jude Ryan from Wanalta – studying Bachelor of Agriculture at La Trobe University Melbourne

Tara Atley from Rochester – studying Bachelor of Professional Communications at RMIT Melbourne

Angus Giffin from Elmore – studying Bachelor of Environmental Science and Management at Charles Sturt University Albury Wodonga

Jude Mussared from Nanneella – studying Bachelor of Sports Science at La Trobe University Bendigo

Giselle Crawford from Rochester – studying Bachelor of Nursing at Deakin University Geelong

Blake Roulston from Rochester – studying Bachelor of Sports and Exercise Science at La Trobe University Bendigo

Hugh Kerlin from Corop – studying Bachelor of Agriculture La Trobe University in Melbourne



1. Angus and Lauren Ross. 2. Giselle at Deakin University. 3. Jude Mussared and James Pietromonaco. 4. Tara and Morghan Hughes. 5. Nate and James Pietromonaco. 6. Blake and Julianne Hand. 7. Jude Ryan at La Trobe University. 8. Hugh and Abbey Hromenko. 9. Maddy at RMIT.

Community investment (continued)



FY24/25 community contributions

Bamawm Ladies Badminton – Purchase of sporting equipment for new program

Bamawm Lockington United Cricket Club – Purchase of new scarfier

Bendigo Winter Night Shelter – Sponsorship of 2025 homeless shelter for people experiencing homelessness in Greater Bendigo & surrounds

Calivil Bowls – Sponsorship of 2025 tournament

CEF - Queensland Flood Appeal – Donation to CEF Queensland Flood Appeal

Cohuna Campaspe LLEN – Annual L2P Program Sponsorship

Elmore Bowls Club - Ladies – Sponsorship of 2025 tournament

Elmore Community Hub – Purchase of new airconditioner to assist with Elmore Safe Haven initiative

Elmore Field Days – Annual sponsorship of Community Bank Pavilion refurbishment

Elmore Harness Racing – Sponsorship of 2024 Elmore Pacing Cup

Elmore Primary Health – Annual sponsorship of community car

Elmore Primary School – Sponsorship of 150 year celebration

LEAD Loddon Murray – Sponsorship of Lockington local participation in 2025 program

Lifeline Loddon Mallee – Donation to Lockmore Legends in the Lifeline Walkathon

Lions Club of Elmore – Support of community lunches in 2025 and 2026

Lockington Bamawm United FNC – Mates for Mental Health Event Sponsorship

Lockington Bush Nursing Centre – Annual sponsorship of Community Car

Lockington Business Centre – Support for Kotta Rail Trail Project, and support of Men's Wellbeing Day

Lockington Consolidated School – Co-contribution to new ninja playground

Lockington Golf Club – Sponsorship of 2025 ladies tournament

Lockington Heritage Centre – Sponsorship of 2025 Rally

Lockington Kindergarten – Support for Watch it grow initiative (veggie pods)

Lockington Living Heritage Centre – Purchase & installation of replacement fence

Lockington Neighbourhood House – Sponsorship of 2025 International Day of Rural Women Lunch

Lockington Senior Citizens – Sponsorship of 2025 Birthday event

Mandurang Cricket Club – \$1000 draw donation

Milloo Hall Committee – Purchase of airconditioning for hall

REDHS – Annual Community Car Sponsorship

Rochester Ambulance Aux – Purchase of new infant trainer

Rochester Basketball Association – Purchase of new girls uniforms

Rochester Bowls Club – Purchase of new fertiliser equipment



Lifeline Loddon Mallee Lockmore Legends in the Lifeline Walkathon.



Lockington Neighbourhood House Shiraz Republic outing.

Community investment (continued)

Rochester Business Network – Shop local campaign sponsorship

Rochester Business Network – Sponsorship of RBN Gift Card program

Rochester Community House – Support of The Resilience Project, and contribution to Rochester Community Access Flood Relief Program

Rochester Football Netball Club – Contribution to new scoreboard

Rotary Club of Rochester – Payment for May Rochester Community Breakfast, and support of 60 Year Birthday Celebration & sponsorship of Songs at the Silos event

Rochester Junior Football Club – Purchase of new girl's footy jumpers

Rochester Lawn Tennis Club – Purchase of new Seating

Rochester Netball Association – Purchase of new hydration station

Rochester Scouts – Contribution to re-raise scouts & purchase of new adventure and camping equipment

Rochester Secondary College – Annual sponsorship of CAS program

Rochester Senior Citizens – Purchase of new laptop

Seniors Club of Elmore – Support for Seniors Trip to Deniliquin

St John Ambulance Vic – Support of volunteer recruitment program in Rochy

Strathallan Family Landcare – Sponsorship of 2025 Carp Catch event

Toolleen Rec Reserve – Purchase of new commercial fridge



Rotary Club of Rochester Songs at the Silos event.



Rochester Netball Association hydration station.



Ella and Macey with their new Rochester Junior Football Club jumpers.



Leanne and Rose from Rochester Senior Citizens with Lauren Ross and their new laptop.

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



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

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

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

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

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

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

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

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

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

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

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

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

Community Bank National Council

Directors' report

30 June 2025

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

Directors

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

Name:	Joseph Hugh Holloway
Title:	Non-executive director
Experience and expertise:	Bachelor of Agriculture Science from CSU Wagga Wagga. Currently employed as the National Key Accounts and Solutions Manager at Semex Pty Ltd. Graduated from the Loddon Murray Community Leadership Program in 2020. Former committee member of LBU Football Netball Club and LBU Cricket Club.
Special responsibilities:	Chair
Name:	Bradley Adrian Drust
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts (Geography) / Bachelor of Science (Environmental Science) and Master of Business Administration. More than 20 years' experience in natural resource management in technical and management roles. Currently Chief Executive Officer at the North Central Catchment Management Authority, leading the organisation to deliver a range of community, environment and compliance programs. Deputy Chair with Rochester and Elmore District Health Service, Treasurer with Rochester Junior Football Club Inc. and Chair of the Elmore Community Hub subcommittee.
Special responsibilities:	Deputy Chair
Name:	Ian Anthony Maddison
Title:	Non-executive director
Experience and expertise:	Principal of Maddison Livestock & Property Pty Ltd (2002 - 2018), managing 10 full time and part time employees. Business Manager of Gippsland & Northern / Dalgety's / Wesfarmers Echuca (1992 - 2002). Dairy Farmer from 1980 to 1990. Committee member of Lockington Bamawm United Football Netball Club Inc. including 3 years as President. Two terms as Campaspe Shire Councillor, including two years as Mayor. Committee member for Echuca Community For the Aged for 9 years (Chairperson for 6). Married to Kathi for 50 years with 5 children and 11 grandchildren.
Name:	Barbara Leanne Holmberg
Title:	Non-executive director
Experience and expertise:	Bachelor of Health Science. Registered Nurse with experience working across the communities of Elmore, Lockington and Rochester. Level 2 yoga instructor and small business operator. Significant board involvement in community organisations, including Lockington Preschool, Lockington Primary School committees, Rochester Secondary College P & F, Elmore Football Netball Club, Tuesday Tennis committee and Friends of the Cemetery.
Name:	Stuart Alan Majella Wilson
Title:	Non-executive director
Experience and expertise:	Qualified Aircraft Engineer, and holder of Business Management Degree. Currently Principal at Ray White Rochester and a small business owner. Keen interest in the local community, with current involvement as volunteer at the Rochester Football Netball Club.
Name:	Julianne Mary Hand
Title:	Non-executive director
Experience and expertise:	Current committee member at Lions Club of Rochester & Rochester Ambulance Auxiliary. Retired from Social Work at Echuca Regional Health. Past secretary of the Rochester Motoring Club and Rochester Community House.

Directors' report (continued)

Name: Cristie Howe
Title: Non-executive director (appointed 10 February 2025)
Experience and expertise: Small business owner and operator – Cristie Lincoln Photography. Actively involved in a number of community organisations including Rochester Basketball Association, Rochester Cricket Club, Rochester Junior Football Netball Club & Rochester Football Netball Club.

Company secretary

There have been two company secretaries holding the position during the financial year, and up to the date of this report:

- Sharon Marie Ebsworth was appointed company secretary on 12 September 2023 on 12 September 2024.
- Lauren Chelsea Ross was appointed company secretary on 18 September 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.

Review of operations

The profit for the company after providing for income tax amounted to \$200,875 (30 June 2024: \$82,348).

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 \$
Fully franked dividend of 3.5 cents per share (2024: 7.5 cents)	55,624	119,193
Unfranked dividend of 4.5 cents per share (2024: nil cents)	71,517	-
	<u>127,141</u>	<u>119,193</u>

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Directors' report (continued)

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
Joseph Hugh Holloway	11	8
Bradley Adrian Drust	11	9
Ian Anthony Maddison	11	10
Barbara Leanne Holmberg	11	8
Stuart Alan Majella Wilson	11	7
Julianne Mary Hand	11	10
Cristie Howe	5	2

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.

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
Joseph Hugh Holloway	-	-	-
Bradley Adrian Drust	-	-	-
Ian Anthony Maddison	-	-	-
Barbara Leanne Holmberg	1,000	-	1,000
Stuart Alan Majella Wilson	-	-	-
Julianne Mary Hand	-	1,875	1,875
Cristie Howe	-	-	-

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*.

Directors' report (continued)

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 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



Joseph Hugh Holloway
Chair

8 September 2025

Auditor's independence declaration



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 08 September 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Financial statements

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	2,008,806	2,202,957
Finance revenue		32,851	33,493
Total revenue		<u>2,041,657</u>	<u>2,236,450</u>
Employee benefits expense	7	(1,017,697)	(964,778)
Advertising and marketing costs		(25,163)	(39,336)
Occupancy and associated costs		(37,826)	(44,380)
System costs		(57,802)	(73,952)
Depreciation and amortisation expense	7	(100,315)	(95,355)
Loss on disposal of assets		-	(3,356)
Finance costs	7	(27,799)	(23,438)
General administration expenses		(136,771)	(155,081)
Total expenses before community contributions and income tax		<u>(1,403,373)</u>	<u>(1,399,676)</u>
Profit before community contributions and income tax expense		638,284	836,774
Charitable donations, sponsorships and grants expense	7	<u>(370,111)</u>	<u>(731,157)</u>
Profit before income tax expense		268,173	105,617
Income tax expense	8	<u>(67,298)</u>	<u>(23,269)</u>
Profit after income tax expense for the year		200,875	82,348
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>200,875</u></u>	<u><u>82,348</u></u>
		Cents	Cents
Basic earnings per share	26	12.64	5.18
Diluted earnings per share	26	12.64	5.18

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	359,586	168,901
Trade and other receivables	10	169,102	190,956
Investments	11	500,000	509,633
Total current assets		<u>1,028,688</u>	<u>869,490</u>
Non-current assets			
Property, plant and equipment	12	217,307	232,461
Right-of-use assets	13	318,874	340,441
Intangible assets	14	35,006	61,260
Deferred tax assets	8	5,649	-
Total non-current assets		<u>576,836</u>	<u>634,162</u>
Total assets		<u>1,605,524</u>	<u>1,503,652</u>
Liabilities			
Current liabilities			
Trade and other payables	15	93,129	73,037
Lease liabilities	16	52,824	51,657
Current tax liabilities	8	55,210	2,350
Employee benefits	17	83,099	79,210
Total current liabilities		<u>284,262</u>	<u>206,254</u>
Non-current liabilities			
Trade and other payables	15	-	30,816
Lease liabilities	16	353,937	373,837
Deferred tax liabilities	8	-	436
Employee benefits	17	9,137	10,213
Lease make good provision		40,069	37,711
Total non-current liabilities		<u>403,143</u>	<u>453,013</u>
Total liabilities		<u>687,405</u>	<u>659,267</u>
Net assets		<u>918,119</u>	<u>844,385</u>
Equity			
Issued capital	18	1,344,664	1,344,664
Accumulated losses		<u>(426,545)</u>	<u>(500,279)</u>
Total equity		<u>918,119</u>	<u>844,385</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		1,344,664	(463,434)	881,230
Profit after income tax expense		-	82,348	82,348
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	82,348	82,348
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(119,193)	(119,193)
Balance at 30 June 2024		<u>1,344,664</u>	<u>(500,279)</u>	<u>844,385</u>
Balance at 1 July 2024		1,344,664	(500,279)	844,385
Profit after income tax expense		-	200,875	200,875
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	200,875	200,875
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(127,141)	(127,141)
Balance at 30 June 2025		<u>1,344,664</u>	<u>(426,545)</u>	<u>918,119</u>

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,230,369	2,483,153
Payments to suppliers and employees (inclusive of GST)		(1,826,863)	(2,540,756)
Interest received		34,744	23,246
Interest and other finance costs paid		-	(100)
Income taxes paid		(20,523)	(12,249)
Net cash provided by/(used in) operating activities	25	417,727	(46,706)
Cash flows from investing activities			
Redemption of/(investment in) term deposits		9,633	-
Payments for property, plant and equipment		(27,693)	(61,515)
Payments for intangible assets		(28,014)	(28,014)
Net cash used in investing activities		(46,074)	(89,529)
Cash flows from financing activities			
Interest and other finance costs paid		(25,447)	(20,759)
Dividends paid	20	(127,141)	(119,193)
Repayment of lease liabilities		(28,380)	(30,080)
Net cash used in financing activities		(180,968)	(170,032)
Net increase/(decrease) in cash and cash equivalents		190,685	(306,267)
Cash and cash equivalents at the beginning of the financial year		168,901	475,168
Cash and cash equivalents at the end of the financial year	9	359,586	168,901

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Lockmore 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:

Registered office

62 Railway Place, Elmore VIC 3558

Principal place of business

62 Railway Place, Elmore VIC 3558
9-11 Lockington Road, Lockington VIC 3563
24 Gillies Street, Rochester VIC 3561

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 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

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.

Current and non-current classification

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

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. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. 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.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible asset 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.

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.

Notes to the financial statements (continued)

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

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.

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.

Notes to the financial statements (continued)

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

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 2026.

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,704,478	1,885,313
Fee income	90,980	95,445
Commission income	213,348	222,199
	<u>2,008,806</u>	<u>2,202,957</u>

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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.

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

Revenue calculation

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

Margin income

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

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

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	861,459	821,046
Non-cash benefits	9,392	7,892
Superannuation contributions	96,009	89,643
Expenses related to long service leave	8,485	2,264
Other expenses	42,352	43,933
	<u>1,017,697</u>	<u>964,778</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	19,054	18,928
Plant and equipment	14,669	9,202
Motor vehicles	9,124	9,125
	<u>42,847</u>	<u>37,255</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>31,214</u>	<u>31,846</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	4,375	4,376
Franchise renewal process fee	21,879	21,878
	<u>26,254</u>	<u>26,254</u>
	<u>100,315</u>	<u>95,355</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Finance costs

	2025 \$	2024 \$
Bank loan interest paid or accrued	-	100
Lease interest expense	25,447	20,759
Unwinding of make good provision	2,352	2,579
	<u>27,799</u>	<u>23,438</u>

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	195,111	421,157
Contribution to the Community Enterprise Foundation™ (CEF)	175,000	310,000
	<u>370,111</u>	<u>731,157</u>

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

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

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

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	73,383	22,862
Movement in deferred tax	(6,085)	3,862
Under/over provision in respect to prior years	-	(3,455)
Aggregate income tax expense	<u>67,298</u>	<u>23,269</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	268,173	105,617
Tax at the statutory tax rate of 25%	67,043	26,404
Tax effect of:		
Non-deductible expenses	255	320
Under/over provision in respect to prior years	-	(3,455)
Income tax expense	<u>67,298</u>	<u>23,269</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
<i>Deferred tax attributable to:</i>		
Accrued expenses	1,425	1,298
Employee benefits	23,059	22,356
Provision for lease make good	10,017	10,761
Lease liabilities	101,690	98,706
Property, plant and equipment	(44,929)	(48,414)
Income accruals	(5,895)	(6,368)
Right-of-use assets	(79,718)	(78,775)
Deferred tax asset/(liability)	<u>5,649</u>	<u>(436)</u>
	2025 \$	2024 \$
Provision for income tax	<u>55,210</u>	<u>2,350</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>359,586</u>	<u>168,901</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	<u>134,850</u>	<u>155,532</u>
Accrued income	23,580	25,473
Prepayments	<u>10,672</u>	<u>9,951</u>
	<u>34,252</u>	<u>35,424</u>
	<u>169,102</u>	<u>190,956</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.

Notes to the financial statements (continued)

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	500,000	509,633

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	252,396	252,396
Less: Accumulated depreciation	(109,928)	(90,874)
	142,468	161,522
Plant and equipment - at cost	194,011	166,318
Less: Accumulated depreciation	(127,171)	(112,502)
	66,840	53,816
Motor vehicles - at cost	45,623	45,623
Less: Accumulated depreciation	(37,624)	(28,500)
	7,999	17,123
	217,307	232,461

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 \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	158,497	26,812	26,248	211,557
Additions	25,309	36,206	-	61,515
Disposals	(3,356)	-	-	(3,356)
Depreciation	(18,928)	(9,202)	(9,125)	(37,255)
Balance at 30 June 2024	161,522	53,816	17,123	232,461
Additions	-	27,693	-	27,693
Depreciation	(19,054)	(14,669)	(9,124)	(42,847)
Balance at 30 June 2025	142,468	66,840	7,999	217,307

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	5 to 22 years
Plant and equipment	2.5 to 40 years
Motor vehicles	5 years

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

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	512,866	503,219
Less: Accumulated depreciation	(193,992)	(162,778)
	<u>318,874</u>	<u>340,441</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	309,652
Remeasurement adjustments	62,635
Depreciation expense	<u>(31,846)</u>
Balance at 30 June 2024	340,441
Remeasurement adjustments	9,647
Depreciation expense	<u>(31,214)</u>
Balance at 30 June 2025	<u>318,874</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	130,862	130,862
Less: Accumulated amortisation	(125,028)	(120,653)
	<u>5,834</u>	<u>10,209</u>
Franchise renewal fee	304,314	304,314
Less: Accumulated amortisation	(275,142)	(253,263)
	<u>29,172</u>	<u>51,051</u>
	<u>35,006</u>	<u>61,260</u>

Notes to the financial statements (continued)

Note 14. 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 2023	14,585	72,929	87,514
Amortisation expense	(4,376)	(21,878)	(26,254)
Balance at 30 June 2024	10,209	51,051	61,260
Amortisation expense	(4,375)	(21,879)	(26,254)
Balance at 30 June 2025	5,834	29,172	35,006

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 and domiciled customer accounts purchased by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2026

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	2,127	2,950
Other payables and accruals	91,002	70,087
	<u>93,129</u>	<u>73,037</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	30,816
	<u>-</u>	<u>30,816</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	93,129	103,853
less GST payable to the ATO, included in other payables and accruals	(17,000)	(7,566)
	<u>76,129</u>	<u>96,287</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	52,824	51,657
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	353,937	373,837
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	425,494	374,440
Remeasurement adjustments	9,647	81,134
Lease interest expense	25,447	20,759
Lease payments - total cash outflow	(53,827)	(50,839)
	406,761	425,494

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
Lockington Branch	7.50%	5 years	1 x 5 years	Yes	February 2034
Elmore Branch	4.79%	5 years	1 x 5 years	Yes	November 2033
Rochester Branch	7.40%	5 years	2 x 5 years	Yes	December 2038

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	49,170	49,531
Long service leave	33,929	29,679
	83,099	79,210
<i>Non-current liabilities</i>		
Long service leave	9,137	10,213

Notes to the financial statements (continued)

Note 17. Employee benefits (continued)

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 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	1,409,233	1,409,233	1,409,233	1,409,233
Bonus shares - fully paid (4:1)	179,994	179,994	-	-
Less: Equity raising costs	-	-	(64,569)	(64,569)
	<u>1,589,227</u>	<u>1,589,227</u>	<u>1,344,664</u>	<u>1,344,664</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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 694. As at the date of this report, the company had 747 shareholders (2024: 753 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.

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 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.

Notes to the financial statements (continued)

Note 20. 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 \$
Fully franked dividend of 3.5 cents per share (2024: 7.5 cents)	55,624	119,193
Unfranked dividend of 4.5 cents per share (2024: nil cents)	71,517	-
	<u>127,141</u>	<u>119,193</u>

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	18,386	45,868
Franking credits (debits) arising from income taxes paid (refunded)	20,523	12,249
Franking debits from the payment of franked distributions	<u>(18,540)</u>	<u>(39,731)</u>
	<u>20,369</u>	<u>18,386</u>

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

Balance at the end of the financial year	20,369	18,386
Franking credits (debits) that will arise from payment (refund) of income tax	<u>55,210</u>	<u>2,350</u>
Franking credits available for future reporting periods	<u>75,579</u>	<u>20,736</u>

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

Accounting policy for dividends

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

Note 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.

Notes to the financial statements (continued)

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.

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables excluding prepayments (note 10)	158,430	181,005
Cash and cash equivalents (note 9)	359,586	168,901
Investments (note 11)	500,000	509,633
	<u>1,018,016</u>	<u>859,539</u>
Financial liabilities		
Trade and other payables (note 15)	76,129	96,287
Lease liabilities (note 16)	406,761	425,494
	<u>482,890</u>	<u>521,781</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.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

The company's financial liabilities measured at amortised cost comprise trade and other payables and lease liabilities.

Derecognition

A financial liability is derecognised then 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 earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$359,586 and term deposits of \$500,000 at 30 June 2025 (2024: \$168,901 and \$509,633).

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Non-derivatives				
Trade and other payables	76,129	-	-	76,129
Lease liabilities	54,326	217,304	287,737	559,367
Total non-derivatives	130,455	217,304	287,737	635,496
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Non-derivatives				
Trade and other payables	65,471	30,816	-	96,287
Lease liabilities	53,127	212,506	334,053	599,686
Total non-derivatives	118,598	243,322	334,053	695,973

Note 22. Key management personnel disclosures

Directors

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

Joseph Hugh Holloway
Bradley Adrian Drust
Ian Anthony Maddison
Barbara Leanne Holmberg

Stuart Alan Majella Wilson
Julianne Mary Hand
Cristie Howe

Compensation

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	2,376	-

Note 23. Related party transactions

Key management personnel

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

Notes to the financial statements (continued)

Note 23. Related party transactions (continued)

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company made contributions to various community groups where directors were also committee members	37,717	129,574
The company paid Cristie Lincoln Photography, of which a director is owner and operator, for the purposes of marketing	600	-
The company maintain an administration office and hold 2 board meetings per year at the Elmore Community Hub, which Bradley Drust is Chair of the Elmore community Hub sub-committee	-	2,000

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

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:

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	9,890	8,450
<i>Other services</i>		
Taxation advice and tax compliance services	565	1,120
General advisory services	4,395	4,270
Share registry services	12,580	8,829
	17,540	14,219
	<u>27,430</u>	<u>22,669</u>

Notes to the financial statements (continued)

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

	2025 \$	2024 \$
Profit after income tax expense for the year	200,875	82,348
Adjustments for:		
Depreciation and amortisation	100,315	95,355
Net loss on disposal of non-current assets	-	3,356
Lease liabilities interest	25,447	20,759
Change in operating assets and liabilities:		
Decrease in trade and other receivables	21,854	49,355
Decrease in income tax refund due	-	4,808
Decrease/(increase) in deferred tax assets	(5,649)	3,426
Increase in other operating assets	-	(6,942)
Increase/(decrease) in trade and other payables	17,290	(312,367)
Increase in provision for income tax	52,860	2,350
Increase/(decrease) in deferred tax liabilities	(436)	436
Increase in employee benefits	2,813	7,832
Increase in other provisions	2,358	2,578
Net cash provided by/(used in) operating activities	<u>417,727</u>	<u>(46,706)</u>

Note 26. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>200,875</u>	<u>82,348</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,589,227</u>	<u>1,589,227</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,589,227</u>	<u>1,589,227</u>
	Cents	Cents
Basic earnings per share	12.64	5.18
Diluted earnings per share	12.64	5.18

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Lockmore 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 which would be provided for in future reporting periods.

Note 28. Contingencies

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

Notes to the financial statements (continued)

Note 29. Events after the reporting period

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

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Joseph Hugh Holloway
Chair

8 September 2025

Independent audit report



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

Independent auditor's report to the Directors of Lockmore Financial Services Limited

Report on the audit of the financial report

Our opinion

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

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

What we have audited

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

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

Basis for opinion

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

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

Other information

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

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

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



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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 08 September 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor



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1. Lockington Bamawm United FNC's **Mates for Men's Health Day** was a Lockmore sponsorship recipient in 2025 – and a huge success!
2. Senior Branch Manager James Pietromonaco & Assistant Branch Manager Clay Anstee with Cade Kindness & the **Rochester Scouts** – sponsorship recipients from Lockmore's September 2024 & April 2025 Community Sponsorship Program.
3. Through the April 2025 Community Sponsorship Program, a 3-year partnership with **CCLLEN** was entered for their **L2P Program** in Elmore, Lockington, Rochester & surrounds.
4. New lights were installed at **Lockington Recreation Reserve** in late 2024, which were partially funded by Lockmore.
5. Lockmore continued to provide funding for **REDHS' Community Transport Program** throughout FY24/25.
6. 2025 marked the 20th year Lockmore has partnered with the **Elmore Field Days** – with current sponsorship funds being directed to the reinvigoration of a pavilion (now named the Community Bank Elmore, Lockington and Rochester Pavilion!)
7. Senior Branch Manager James Pietromonaco with Cori Holmberg, Lorna Wilson & Ann Williams at the **Elmore Ladies Triples Bowls** – an event sponsored through Lockmore's September 2024 Community Sponsorship Program.

Community Bank Elmore

62 Railway Place,
Elmore VIC 3558

Phone: 5432 6706

Email: elmoremailbox@bendigoadelaide.com.au

Community Bank Lockington

9/11 Lockington Road,
Lockington VIC 3563

Phone: 5486 2304

Email: lockingtonmailbox@bendigoadelaide.com.au

Community Bank Rochester

24 Gillies Street,
Rochester VIC 3561

Phone: 5484 3290

Email: rochestermailbox@bendigoadelaide.com.au

Franchisee: Lockmore Financial Services Limited

ABN: 41 106 113 599

PO Box 108, Elmore VIC 3558

Phone: 0413 417 055

Email: admin@lockmore.com.au

Share Registry:

AFS & Associates Pty Ltd

PO Box 454, Bendigo VIC 3552

Phone: 5443 0344

Fax: 5443 5304

Email: shareregistry@afsbendigo.com.au



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instagram/cb_elmorelockingtonrochester

