

Mandurah Community Financial Services Limited

ABN 56 098 081 308

Financial Report - 30 June 2026

Mandurah Community Financial Services Limited

Directors' report

30 June 2026

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

Directors

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

Name:	Ian James Anson Ilsley
Title:	Non-executive director
Experience and expertise:	Ian is a director of Ward and Ilsley Partners Pty Ltd, Certified Practicing Accountants. He is currently a member of the School Council of the Frederick Irwin Anglican School. His former roles include: Treasurer of Frederick Irwin Anglican School Parents & Friends Association for 13 years, Treasurer of Mandurah Country Club from 2001 to 2018, board member of the Mandurah Performing Arts Centre from 2008 to 2014, a community representative on the City of Mandurah's Audit & Risk Committee from 2011 to 2019 and a former board member on the Board of John Tonkin College, Mandurah.
Special responsibilities:	Chair of the Board, Treasurer, Human Resources Committee, Development Committee
Name:	Adrian Paul Pitsikas
Title:	Non-executive director
Experience and expertise:	Adrian and his brother own and operate Greenacres Turf Group the largest turf producer in Western Australia and have done so for the past 27 years. Adrian is the former Chair of Turf Australia (the industry peak body for the whole of Australia). Adrian holds Diplomas in Horticulture (Turf), Irrigation and Business Management.
Special responsibilities:	Finance Committee, Human Resources Committee, Development Committee
Name:	Andrew James Brown
Title:	Non-executive director
Experience and expertise:	Andrew was the owner of the Halls Head Bakers Delight Franchise (10 years) and has Certificate 3 in Small Business Management. He was the business owner of A & J Fabricators which involved 20 years contracting to mining, oil and gas industries. Andrew is a past director of the small business Centre Peel and previous board member of HHCC & Career Enterprise Centre in Mandurah. He also holds a Certificate IV in Workplace Training and Assessment.
Special responsibilities:	Chair of Finance Committee, Development Committee
Name:	Timothy David Williams
Title:	Non-executive director
Experience and expertise:	Timothy has extensive experience in community development and engagement. He holds a Bachelor of Arts with double majors in community development and sociology. He has significant experience in local government, high level cross-cultural engagement skills, facilitation skills and strategic development skills. Timothy also has a strong history in working alongside the Aboriginal community.
Special responsibilities:	Marketing Committee
Name:	Douglas Philip James Savarese
Title:	Non-executive director
Experience and expertise:	Douglas' experience includes being an Area Manager for Counterpoint Marketing, Assistant Manager at Coles Myer and Newmart Supermarket and Sales/Territory Manager for Kellogg's Australia. Douglas currently owns a private company, Quadbogey Pty Ltd, which previously had contracts with Australia Post for parcel delivery service. Douglas is also a past Captain of the Mandurah Country Club.
Special responsibilities:	Marketing Committee

Mandurah Community Financial Services Limited

Directors' report

30 June 2026

Name: Horace Brett Hill
Title: Non-executive director
Experience and expertise: Retired, mentor, Cultural Advisor, Facilitator, actively involved in Community Development across Nyoongar nation and local Mandurah / Perth area. Recognised Community Leader / Elder in the Mandurah, Armadale, Bunbury and Narrogin area. Board / Committee member to the following; Winjan Aboriginal Corporation, Wardandi Miya-k Kaadajiny A.C., Wilman (Dryandra) People AC.
Special responsibilities: Deputy Chair, Marketing Committee

Name: Natasha Darlene Upcott
Title: Non-executive director
Experience and expertise: Principal, Mandurah Primary School; Network Principal, Mandurah School Network; Vice President, Principals Federation of Western Australia. Bachelor of Arts (Education), Murdoch University.
Special responsibilities: Marketing Committee

Name: Skipper Van Peer
Title: Non-executive director (appointed 26 May 2026)
Experience and expertise: Skipper is a Primary School Teacher with a Master of Teaching and an undergraduate qualification in Advertising. She previously held executive roles in the non-profit sector and operated a branding and communications consultancy before transitioning into education. She has served as a non-executive director on the boards of several community organisations and has a strong interest in supporting organisations that deliver positive outcomes for local communities through good governance, strategic leadership and effective communications. Current director of The Makers Community Development Incorporated and former director of Ready Aim Fire Pty Ltd.
Special responsibilities: Marketing Committee

Company secretary

The company secretary is Andrew James Brown. Andrew was appointed to the position of company secretary on 7 June 2019.

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 \$580,728 (30 June 2025: \$424,316).

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.

	2026 \$	2025 \$
Fully franked dividend of 20 cents per share (2025: 20 cents)	118,898	118,898

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Mandurah Community Financial Services Limited

Directors' report

30 June 2026

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches.

At the date the financial statements were authorised for issue, the directors were unable to reliably estimate any financial effect on the company arising from these matters.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

The company will continue its policy of facilitating banking services to the community.

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Ian James Anson Ilsley	10	10
Adrian Paul Pitsikas	10	7
Andrew James Brown	10	9
Timothy David Williams	10	10
Douglas Philip James Savarese	10	7
Horace Brett Hill	10	7
Natasha Darlene Upcott	10	10
Skipper Van Peer	2	2

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

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 26 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Mandurah Community Financial Services Limited
Directors' report
30 June 2026

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
Ian James Anson Ilsley	3,500	-	3,500
Adrian Paul Pitsikas	15,000	-	15,000
Andrew James Brown	500	-	500
Timothy David Williams	-	-	-
Douglas Philip James Savarese	2,500	-	2,500
Horace Brett Hill	-	-	-
Natasha Darlene Upcott	-	1,000	1,000
Skipper Van Peer	-	-	-

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 27 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:

Mandurah Community Financial Services Limited

Directors' report

30 June 2026

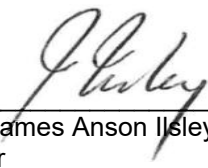
- the non-audit services provided have been reviewed by the Finance Committee to ensure that they do not impact the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 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



Ian James Anson Ilseley
Chair

22 September 2026



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

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Mandurah Community Financial Services Limited

As lead auditor for the audit of Mandurah Community Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

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

Adrian Downing
Lead Auditor

Mandurah Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	2,486,615	2,222,787
Other revenue	7	24,148	17,389
Finance revenue		63,092	61,255
Fair value gains/(losses) on financial assets		(54,734)	30,010
Total revenue		2,519,121	2,331,441
Employee benefits expense	8	(939,820)	(895,238)
Advertising and marketing costs		(27,399)	(9,806)
Occupancy and associated costs		(45,359)	(30,218)
System costs		(50,452)	(43,302)
Depreciation and amortisation expense	8	(152,188)	(151,629)
Finance costs	8	(7,928)	(12,297)
Loss on disposal of assets		(196)	-
General administration expenses		(185,543)	(196,285)
Total expenses before community contributions and income tax expense		(1,408,885)	(1,338,775)
Profit before community contributions and income tax expense		1,110,236	992,666
Charitable donations and sponsorships expense		(342,397)	(433,167)
Profit before income tax expense		767,839	559,499
Income tax expense	9	(187,111)	(135,183)
Profit after income tax expense for the year		580,728	424,316
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		580,728	424,316
		Cents	Cents
Basic earnings per share	29	97.69	71.37
Diluted earnings per share	29	97.69	71.37

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

Mandurah Community Financial Services Limited
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	806,675	293,714
Trade and other receivables	11	257,573	197,360
Investments	12	1,520,465	1,465,102
Current tax assets	9	-	36,464
Total current assets		<u>2,584,713</u>	<u>1,992,640</u>
Non-current assets			
Trade and other receivables	11	27,500	27,500
Financial assets	15	286,369	324,722
Property, plant and equipment	13	380,583	404,678
Right-of-use assets	14	65,920	138,595
Intangible assets	16	9,862	22,862
Deferred tax assets	9	49,001	43,584
Total non-current assets		<u>819,235</u>	<u>961,941</u>
Total assets		<u>3,403,948</u>	<u>2,954,581</u>
Liabilities			
Current liabilities			
Trade and other payables	17	131,362	118,007
Lease liabilities	18	99,705	114,943
Current tax liabilities	9	94,374	-
Employee benefits	19	26,180	47,553
Total current liabilities		<u>351,621</u>	<u>280,503</u>
Non-current liabilities			
Lease liabilities	18	-	95,603
Employee benefits	19	19,364	8,926
Provisions		<u>38,492</u>	<u>36,908</u>
Total non-current liabilities		<u>57,856</u>	<u>141,437</u>
Total liabilities		<u>409,477</u>	<u>421,940</u>
Net assets		<u>2,994,471</u>	<u>2,532,641</u>
Equity			
Issued capital	20	594,490	594,490
Retained earnings		<u>2,399,981</u>	<u>1,938,151</u>
Total equity		<u>2,994,471</u>	<u>2,532,641</u>

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

Mandurah Community Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		594,490	1,632,733	2,227,223
Profit after income tax expense		-	424,316	424,316
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	424,316	424,316
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(118,898)	(118,898)
Balance at 30 June 2025		<u>594,490</u>	<u>1,938,151</u>	<u>2,532,641</u>
 Balance at 1 July 2025		 594,490	 1,938,151	 2,532,641
Profit after income tax expense		-	580,728	580,728
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	580,728	580,728
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(118,898)	(118,898)
Balance at 30 June 2026		<u>594,490</u>	<u>2,399,981</u>	<u>2,994,471</u>

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

Mandurah Community Financial Services Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,685,057	2,468,940
Payments to suppliers and employees (inclusive of GST)		(1,824,035)	(1,846,933)
Interest received		61,020	57,681
Income taxes paid		(61,691)	(268,470)
Net cash provided by operating activities	28	<u>860,351</u>	<u>411,218</u>
Cash flows from investing activities			
Payments for investments		(55,363)	(474,013)
Payments for property, plant and equipment	13	(43,096)	(4,629)
Payments for intangible assets		<u>(13,329)</u>	<u>(13,329)</u>
Net cash used in investing activities		<u>(111,788)</u>	<u>(491,971)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(6,345)	(10,778)
Dividends paid	22	(118,898)	(118,898)
Repayment of lease liabilities		<u>(110,359)</u>	<u>(99,931)</u>
Net cash used in financing activities		<u>(235,602)</u>	<u>(229,607)</u>
Net increase/(decrease) in cash and cash equivalents		512,961	(310,360)
Cash and cash equivalents at the beginning of the financial year		<u>293,714</u>	<u>604,074</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>806,675</u></u>	<u><u>293,714</u></u>

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

Mandurah Community Financial Services Limited

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

The financial statements cover Mandurah Community 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

Ward & Ilsley Partners Pty Ltd
55C Mandurah Terrace
Mandurah WA 6210

Principal place of business

Halls Head Shopping
Shop 5 Halls Head Central Shopping Centre
Halls Head WA 6210

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 22 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 *Presentation and Disclosure in Financial Statements*

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

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

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

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Investments

Term deposits are measured at amortised cost where they are held within a business model whose objective is to collect contractual cash flows and those cash flows represent solely payments of principal and interest. Managed funds and listed equity securities are measured at fair value through profit or loss, with changes in fair value recognised in profit or loss.

Impairment of financial assets

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

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

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: quoted prices, unadjusted, in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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 its franchise agreement with Bendigo Bank to generate revenue. The current agreement is set to expire within 12 months from the date of this financial report, in April 2027.

The franchise agreement includes two five-year renewal options, which the directors have a reasonable expectation that the franchise agreement will be renewed for a further five-year term upon expiry.

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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 5. Economic dependency (continued)

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

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

The credit risk is borne by Bendigo Bank, provided the company has complied with the applicable procedures and obligations and has not exercised 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

	2026 \$	2025 \$
Margin income	2,334,534	2,084,580
Fee income	71,802	84,077
Commission income	80,279	54,130
	<u>2,486,615</u>	<u>2,222,787</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 6. Revenue from contracts with customers (continued)

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Other revenue

	2026	2025
	\$	\$
Dividend and distribution income	16,385	15,507
Other income	7,763	1,882
	<u>24,148</u>	<u>17,389</u>

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 8. Expenses

Employee benefits expense

	2026	2025
	\$	\$
Wages and salaries	795,208	778,403
Non-cash benefits	17,496	17,492
Superannuation contributions	95,724	87,315
Expenses related to long service leave	6,257	(6,128)
Other expenses	25,135	18,156
	<u>939,820</u>	<u>895,238</u>

Depreciation and amortisation expense

	2026	2025
	\$	\$
<i>Depreciation of non-current assets</i>		
Furniture and fixtures	55,680	55,046
Motor vehicles	11,315	11,315
	<u>66,995</u>	<u>66,361</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	72,193	72,268
<i>Amortisation of intangible assets</i>		
Franchise fee	2,167	2,167
Franchise renewal fee	10,833	10,833
	<u>13,000</u>	<u>13,000</u>
	<u>152,188</u>	<u>151,629</u>

Finance costs

	2026	2025
	\$	\$
Lease interest expense	6,345	10,778
Unwinding of make-good provision	1,583	1,519
	<u>7,928</u>	<u>12,297</u>

Finance costs are recognised as expenses when incurred using the effective interest rate.

Charitable donations, sponsorships and grants

	2026	2025
	\$	\$
Direct donation, sponsorship and grant payments	342,397	233,167
Contribution to the Community Enterprise Foundation™	-	200,000
	<u>342,397</u>	<u>433,167</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).

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 8. Expenses (continued)

The funds contributed are held by the Community Enterprise Foundation™ (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 into 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 9. Income tax

	2026	2025
	\$	\$
<i>Income tax expense</i>		
Current tax	199,550	132,488
Movement in deferred tax	(5,417)	9,341
Net benefit of franking credits on dividends received	(7,022)	(6,646)
	<u>187,111</u>	<u>135,183</u>
Aggregate income tax expense		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>767,839</u>	<u>559,499</u>
Tax at the statutory tax rate of 25%	191,960	139,875
Tax effect of:		
Non-deductible expenses	418	290
Other assessable income	1,755	1,664
Net benefit of franking credits on dividends received	(7,022)	(6,646)
	<u>187,111</u>	<u>135,183</u>
Income tax expense		
	<u>187,111</u>	<u>135,183</u>
	2026	2025
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	11,386	14,120
Provision for lease make good	9,623	9,227
Accrued expenses	8,063	7,421
Income accruals	(4,735)	(4,217)
Lease liabilities	24,926	52,637
Right-of-use assets	(16,480)	(34,649)
Property, plant and equipment	20,012	16,556
Financial assets at fair value through profit or loss	(1,603)	(15,286)
Prepayments	(2,191)	(2,225)
	<u>49,001</u>	<u>43,584</u>
Deferred tax asset		
	<u>49,001</u>	<u>43,584</u>
	2026	2025
	\$	\$
Income tax refund due	<u>-</u>	<u>36,464</u>
	2026	2025
	\$	\$
Provision for income tax	<u>94,374</u>	<u>-</u>

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 9. Income tax (continued)

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	806,675	293,714

Note 11. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	228,333	169,570
Other receivables and accruals	1,537	2,023
Accrued income	18,940	16,868
Prepayments	8,763	8,899
	29,240	27,790
	257,573	197,360
<i>Non-current assets</i>		
Trade receivables	27,500	27,500
	285,073	224,860
	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	285,073	224,860
Less prepayments, included in trade and other receivables	(8,763)	(8,899)
	276,310	215,961

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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 12. Investments

	2026	2025
	\$	\$
<i>Current assets</i>		
Term deposits	138,236	137,010
Managed funds	1,382,229	1,328,092
	<u>1,520,465</u>	<u>1,465,102</u>

Note 13. Property, plant and equipment

	2026	2025
	\$	\$
Furniture and fixtures - at cost	584,444	542,582
Less: Accumulated depreciation	<u>(256,934)</u>	<u>(202,292)</u>
	327,510	340,290
Motor vehicles - at cost	90,521	90,521
Less: Accumulated depreciation	<u>(37,448)</u>	<u>(26,133)</u>
	53,073	64,388
	<u>380,583</u>	<u>404,678</u>

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

	Furniture and fixtures \$	Motor vehicles \$	Total \$
Balance at 1 July 2024	390,707	75,703	466,410
Additions	4,629	-	4,629
Depreciation	<u>(55,046)</u>	<u>(11,315)</u>	<u>(66,361)</u>
Balance at 30 June 2025	340,290	64,388	404,678
Additions	43,096	-	43,096
Disposals	(196)	-	(196)
Depreciation	<u>(55,680)</u>	<u>(11,315)</u>	<u>(66,995)</u>
Balance at 30 June 2026	<u>327,510</u>	<u>53,073</u>	<u>380,583</u>

Accounting policy for property, plant and equipment

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

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

Furniture and fixtures	1 to 14 years
Motor vehicles	8 years

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

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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 14. Right-of-use assets

	2026	2025
	\$	\$
Land and buildings - right-of-use	360,997	361,479
Less: Accumulated depreciation	<u>(295,077)</u>	<u>(222,884)</u>
	<u><u>65,920</u></u>	<u><u>138,595</u></u>

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

	Land and buildings \$
Balance at 1 July 2024	210,863
Depreciation expense	<u>(72,268)</u>
Balance at 30 June 2025	138,595
Remeasurement adjustments	(482)
Depreciation expense	<u>(72,193)</u>
Balance at 30 June 2026	<u><u>65,920</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 18 for more information on lease arrangements.

Note 15. Financial assets

	2026	2025
	\$	\$
Listed equity securities - at fair value through profit or loss	<u><u>286,369</u></u>	<u><u>324,722</u></u>

Accounting policy for financial assets

Listed equity securities are initially and subsequently measured at fair value through profit or loss. Changes in fair value are recognised in profit or loss. Financial assets are derecognised when the contractual rights to the cash flows expire or when the asset is transferred and substantially all risks and rewards of ownership are transferred.

Refer to note 24 for further information on fair value measurement.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 16. Intangible assets

	2026	2025
	\$	\$
Franchise fee	122,025	122,025
Less: Accumulated amortisation	(120,382)	(118,215)
	<u>1,643</u>	<u>3,810</u>
Franchise renewal fee	98,932	98,932
Less: Accumulated amortisation	(90,713)	(79,880)
	<u>8,219</u>	<u>19,052</u>
	<u><u>9,862</u></u>	<u><u>22,862</u></u>

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

	Franchise fee	Franchise renewal fee	Total
	\$	\$	\$
Balance at 1 July 2024	5,977	29,885	35,862
Amortisation expense	(2,167)	(10,833)	(13,000)
Balance at 30 June 2025	3,810	19,052	22,862
Amortisation expense	(2,167)	(10,833)	(13,000)
Balance at 30 June 2026	<u><u>1,643</u></u>	<u><u>8,219</u></u>	<u><u>9,862</u></u>

Accounting policy for intangible assets

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

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

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

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

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

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

Note 17. Trade and other payables

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	2,402	23,614
Other payables and accruals	128,960	94,393
	<u><u>131,362</u></u>	<u><u>118,007</u></u>

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 17. Trade and other payables (continued)

	2026	2025
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	131,362	118,007
Less statutory payables, included in trade and other payables	<u>(81,367)</u>	<u>(49,652)</u>
	<u><u>49,995</u></u>	<u><u>68,355</u></u>

Note 18. Lease liabilities

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>99,705</u>	<u>114,943</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>-</u>	<u>95,603</u>
	<u><u>99,705</u></u>	<u><u>210,546</u></u>

Reconciliation of lease liabilities

	2026	2025
	\$	\$
Opening balance	210,546	310,477
Remeasurement adjustments	(482)	-
Lease interest expense	6,345	10,778
Lease payments - total cash outflow	<u>(116,704)</u>	<u>(110,709)</u>
	<u><u>99,705</u></u>	<u><u>210,546</u></u>

Accounting policy for lease liabilities

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

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

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

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Halls Head Branch	4.29%	5 years	N/A	N/A	May 2027

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 19. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	17,966	35,159
Long service leave	8,214	12,394
	<u>26,180</u>	<u>47,553</u>
<i>Non-current liabilities</i>		
Long service leave	19,364	8,926
	<u>45,544</u>	<u>56,479</u>

Accounting policy for short-term employee benefits

Liabilities for wages and salaries and other employee benefits expected to be settled wholly within 12 months after the end of the reporting period 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.

Note 20. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	<u>594,490</u>	<u>594,490</u>	<u>594,490</u>	<u>594,490</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.

Mandurah Community Financial Services Limited

Notes to the financial statements

30 June 2026

Note 20. Issued capital (continued)

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 331. As at the date of this report, the company had 392 shareholders (2025: 394 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 21. 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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 21. Capital management (continued)

The distribution limit is the greater of:

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

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

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

Note 22. 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.

	2026 \$	2025 \$
Fully franked dividend of 20 cents per share (2025: 20 cents)	118,898	118,898

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	790,099	561,262
Franking credits (debits) arising from income taxes paid (refunded)	61,691	261,824
Franking debits from the payment of franked distributions	(39,633)	(39,633)
Franking credits from franked distributions received	7,022	6,646
	<u>819,179</u>	<u>790,099</u>

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

Balance at the end of the financial year	819,179	790,099
Franking credits (debits) that will arise from payment (refund) of income tax	94,374	(36,464)
Franking credits available for future reporting periods	<u>913,553</u>	<u>753,635</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 23. 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 principal 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:

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 23. Financial risk management (continued)

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's principal credit exposure arises from cash, term deposits and profit share receivables held with or due from Bendigo Bank. The company also has exposure to other counterparties through other receivables and managed investments. Credit risk is monitored by reference to counterparty creditworthiness, investment terms, ageing and historical recovery experience.
- The company has no direct exposure to movements in commodity prices.
- The carrying amounts of cash, short-term receivables, term deposits and trade payables approximate fair value due to their short-term nature. Managed funds and listed equity securities are measured at fair value through profit or loss. Lease liabilities are measured at amortised cost.
- The company has no borrowings.

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

	2026	2025
	\$	\$
Financial assets at amortised cost		
Cash and cash equivalents (note 10)	806,675	293,714
Trade and other receivables excluding prepayments (note 11)	276,310	215,961
Term deposits (note 12)	138,236	137,010
	<u>1,221,221</u>	<u>646,685</u>
Financial assets at fair value through profit and loss		
Managed funds (note 12)	1,382,229	1,328,092
Financial assets (note 15)	286,369	324,722
	<u>1,668,598</u>	<u>1,652,814</u>
Financial liabilities		
Trade and other payables (note 17)	49,995	68,355
Lease liabilities (note 18)	99,705	210,546
	<u>149,700</u>	<u>278,901</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 into the following categories:

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

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

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

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

Derecognition

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

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 23. Financial risk management (continued)

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

The company's interest-bearing assets are held with Bendigo Bank and are subject to movements in market interest rates. The company held cash and cash equivalents of \$806,675 and Term deposits of \$138,236 at 30 June 2026 (2025: \$293,714 and \$137,010).

Equity Price risk

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX) or the National Stock Exchange (NSX). The company is exposed to equity price risk through its listed equity securities and managed funds. Changes in the fair value of these investments are recognised in profit or loss.

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 \$
2026				
Trade and other payables	49,995	-	-	49,995
Lease liabilities	101,292	-	-	101,292
Total non-derivatives	151,287	-	-	151,287
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	68,355	-	-	68,355
Lease liabilities	116,727	101,292	-	218,019
Total non-derivatives	185,082	101,292	-	286,374

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 24. Fair value measurement

	Level 1
2026	\$
<i>Assets</i>	
Equity securities	286,369
Managed funds	1,382,229
Total assets	<u>1,668,598</u>
	Level 1
2025	\$
<i>Assets</i>	
Equity securities	324,722
Managed funds	1,328,092
Total assets	<u>1,652,814</u>

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 25. Key management personnel disclosures

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

Ian James Anson Ilsley	Douglas Philip James Savarese
Adrian Paul Pitsikas	Horace Brett Hill
Andrew James Brown	Natasha Darlene Upcott
Timothy David Williams	Skipper Van Peer

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

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

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 25.

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.

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 26. Related party transactions (continued)

Terms and conditions of transactions with related parties

The accounting and taxation services provided by Ward & Ilsley Partners Pty Ltd were provided on normal commercial terms. The sponsorship involving The Makers Community Development Incorporated was approved under the company's community sponsorship and conflict-of-interest processes.

Transactions with related parties

The following transactions occurred with related parties:

	2026	2025
	\$	\$
Ian Ilsley is a director of Ward & Ilsley Partners Pty Ltd which supplied the company with accounting and taxation services during the financial year.	44,230	40,310
Skipper Van Peer is a director of The Makers Community Development Incorporated. During the financial year, the company provided sponsorship of \$8,000 to that organisation.	8,000	-

Note 27. Remuneration of auditors

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

	2026	2025
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	8,165	7,930
<i>Other services</i>		
General advisory services	3,025	2,880
Share registry services	9,322	8,606
	12,347	11,486
	<u>20,512</u>	<u>19,416</u>

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 28. Reconciliation of profit after income tax to net cash provided by operating activities

	2026	2025
	\$	\$
Profit after income tax expense for the year	580,728	424,316
Adjustments for:		
Depreciation and amortisation	152,188	151,629
Net loss on disposal of non-current assets	196	-
Decrease/(increase) in fair value of financial assets at FVTPL	54,734	(30,010)
Income reinvested in financial assets	(16,381)	(15,505)
Lease liabilities interest	6,345	10,778
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(60,213)	15,059
Decrease/(increase) in income tax refund due	36,464	(36,464)
Decrease/(increase) in deferred tax assets	(5,417)	9,338
Increase/(decrease) in trade and other payables	26,684	(22,413)
Increase/(decrease) in provision for income tax	94,374	(106,161)
Increase/(decrease) in employee benefits	(10,935)	9,133
Increase in other provisions	1,584	1,518
Net cash provided by operating activities	<u>860,351</u>	<u>411,218</u>

Note 29. Earnings per share

	2026	2025
	\$	\$
Profit after income tax	<u>580,728</u>	<u>424,316</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>594,490</u>	<u>594,490</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>594,490</u>	<u>594,490</u>
	Cents	Cents
Basic earnings per share	97.69	71.37
Diluted earnings per share	97.69	71.37

Accounting policy for earnings per share

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

Note 30. Commitments

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

Note 31. Contingencies

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

Mandurah Community Financial Services Limited
Notes to the financial statements
30 June 2026

Note 32. Events after the reporting period

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

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches.

At the date the financial statements were authorised for issue, the directors were unable to reliably estimate any financial effect on the company arising from these matters.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Mandurah Community Financial Services Limited

Directors' declaration

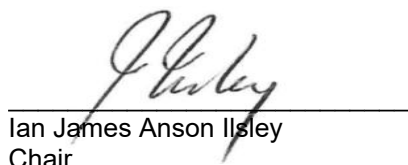
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Ian James Anson Ilisley
Chair

22 September 2026



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

Independent Auditor's Report to the members of Mandurah Community Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Mandurah Community Financial Services Limited (the Company), is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Mandurah Community Financial Services Limited, which comprises:

- the statement of financial position as at 30 June 2026
- the statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the statement of changes in equity for the year ended 30 June 2026
- the statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policy information
- 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 are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the Company's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.



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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 during the audit, or otherwise appears to be materially misstated.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [Auditor's Responsibilities](#). 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: 22 September 2026

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor