

Annual Report 2026

Murrumbidgee Financial
Services Limited

Community Bank
Harden Murrumbidgee

ABN 12 118 357 467

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Chair's report

For year ending 30 June 2026

On behalf of the Board of Directors, I am pleased to present the Chair's report for 2026.

Murrumbolla Financial Services Limited continues to operate proudly under the Bendigo Community Bank model, guided by the principles of local ownership, local decision-making, local investment, broad-based community benefit, and a strong balance between commercial focus and community spirit.

During FY 25/26, we farewelled Directors Judith McFadyen, Amy Mergard and Amanda Jones. On behalf of the Board, I extend my sincere thanks to these valued Directors and their dedicated service with Murrumbolla Financial Services Limited.

Our continuing Directors, Sue McCarthy, Zita McLeod, Craig Nicholls and Stephen Woodhead, have worked diligently to strengthen Murrumbolla Financial Services Limited through strong leadership, effective governance, ongoing Director education and succession planning as we prepare for 2027.

Our staff remain at the heart of our success. Under the strong leadership of Branch Manager Saurabh Mahajan, the team has continued to deliver strong financial performance and outstanding service to our community. The Board sincerely thanks Saurabh, together with Janelle, Adarsh and Kirsty, for their dedicated commitment, banking expertise and continued focus on delivering an exceptional customer experience.

Murrumbolla Financial Services Limited remains strongly committed to the Harden-Murrumburrah community through our ongoing partnership with the Community Enterprise Foundation. This partnership enables us to continue investing in our community through grants, social enterprise initiatives and sponsorships, delivering broad and meaningful community benefits.

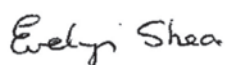
The Board also acknowledges the Grenfell community, where our Community Bank previously operated an agency. We remain committed to maintaining our connection with the Grenfell community through ongoing visits from our Branch Manager and banking team.

Variations in interest rates throughout the year continued to influence profit share outcomes for Murrumbolla Financial Services Limited. Further details regarding the company's financial performance are provided in the 2026 Financial Report.

In closing, I would like to sincerely thank my fellow Directors for their strong commitment to governance, policy and procedure management, and the ongoing development of Murrumbolla Financial Services Limited.

I also thank our dedicated staff, shareholders and valued community partners for their continued support and commitment.

Together, we continue to build the success and sustainability of Murrumbolla Financial Services Limited and our locally owned Bendigo Community Bank, ensuring that our company remains focused on delivering meaningful benefits to the communities we serve.



Evelyn Shea
Chair
Murrumbolla Financial Services Limited

Manager's report

For year ending 30 June 2026

It is a pleasure to present the Manager's Report for Community Bank Harden-Murrumburrah for the year ended 30 June 2026.

This year has been one of continued progress for our community bank. Against an evolving economic and banking environment, we have remained focused on what matters most — supporting our customers, growing a sustainable local business and ensuring that the success of our community bank continues to deliver meaningful benefits to the communities we serve.

I am pleased to report that the branch has delivered another positive financial result, with a net profit of \$247,802, representing an improvement on the previous financial year. This result reflects the continued support and loyalty of our customers, together with the commitment of our team to building stronger relationships and identifying opportunities to support the financial needs of local families, businesses and community organisations.

Importantly, our success is measured by more than financial performance. The community bank model gives us the opportunity to return a meaningful share of our success back to the community. During the year, more than \$100,000 was committed through sponsorships, grants and community initiatives, supporting local sporting clubs, community organisations, events and other important causes across Harden-Murrumburrah and the surrounding region. This is something we remain incredibly proud of and is at the heart of what makes community banking so meaningful.

Our team has also experienced change during the year. We were delighted to welcome Kirsty in November 2025, who has become a valued member of the branch team and has made a positive contribution to both our customers and day-to-day operations. In March 2026, we farewelled Alyssa as she left the branch. We thank Alyssa for her contribution and wish her every success for the future.

Throughout the year, our focus has remained firmly on delivering a high standard of customer service while continuing to strengthen our operational disciplines and capabilities. I am particularly proud of the way our team has embraced change, supported one another and remained committed to providing a personal and trusted banking experience for our customers.

Looking ahead, we see significant opportunity to continue growing our business by deepening existing customer relationships, welcoming new customers and strengthening our connections throughout the local community. Sustainable growth will allow us not only to build a stronger banking business, but also to increase the positive impact we can make through future community investment.

I would like to sincerely thank Janelle, Adarsh and Kirsty for their dedication, resilience and commitment throughout the year. Their contribution is central to the service and experience we provide to our customers every day.

I would also like to acknowledge our amazing Board of Directors for its continued guidance and support, together with our Bendigo Bank regional and support teams who work alongside us throughout the year. A special thank you to our Regional Manager, Jess D'Arcy, for her ongoing support, guidance and commitment to our community bank and team throughout the year.

Finally, to our customers, shareholders, community partners and local organisations — thank you for your continued trust and support. Every customer who chooses to bank locally contributes to our ability to support the wider community, and we greatly value the confidence you place in us.

We enter the new financial year with confidence, a strong sense of purpose and an ongoing commitment to growing both our business and our contribution to the community we are proud to serve.

Thank you.

Saurabh Mahajan
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

For the financial year ended 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:

Evelyn Shea

Title: Non-executive director

Experience and expertise: Ev brings more than 40 years of finance management and administration experience in the New South Wales health sector, preceded by a 10-year career in banking. This extensive professional background has equipped her with strong expertise in leadership, governance and organisational management. As Chair, Ev provides strategic leadership to the Board, fostering sound governance, collaboration and a clear focus on achieving the company's objectives. Beyond her board responsibilities, Ev is an active community volunteer, serving on the Harden Country Golf Club Match Committee and her local Church Parish Council Committee.

Special responsibilities: Chairman

Susan McCarthy

Title: Non-executive director

Experience and expertise: Sue has been a board member since the company's inception, bringing a broad professional and community background to her role. She currently works part-time as a farm office manager across two farm offices, following a 30-year career in the banking sector. Sue is actively engaged in her community, serving as Treasurer of the Friends of Galong Cemetery and the Harden Historic Truck and Tractor Club, as Membership Officer for CanAssist Harden-Murrumburrah, and as a volunteer at the Anglican Op Shop and Harden Driver Reviver.

Special responsibilities: Treasurer

Zita McLeod

Title: Non-executive director

Experience and expertise: Zita brings extensive experience in education and community engagement, having served as a Principal with the NSW Department of Education. In this role, she was responsible for developing and implementing professional development programs, managing budgets, and overseeing support programs for students and families, as well as liaising with a range of community groups. Zita also brings a practical understanding of agricultural operations through her ongoing involvement as a partner in a family farming business. She currently serves as Deputy Chair of the Board.

Special responsibilities: Committees - Governance and Audit, Sponsorship, Human Resources.

Directors' report (continued)

Directors (continued)

Craig Nicholls

Title: Non-executive director

Experience and expertise: Craig brings a distinguished career in health and emergency services, having worked as a registered nurse from 1976 to 1981 before transitioning to a career as a paramedic, which he pursued from 1981 to 2023. He is an active contributor to his community, serving as a member of the Murrumburrah Harden Rotary Club, including two terms as President, and as a past member of the Murrumburrah Public School Board.

Special responsibilities: Nil.

Stephen Woodhead

Title: Non-executive director

Experience and expertise: Stephen brings a diverse professional background spanning automotive engineering and agriculture. He began his career with an apprenticeship in Automotive Engineering with International Harvester Company, progressing through management before returning to the family farm, which he developed into a highly profitable enterprise over 45 years in the agricultural sector. Stephen has been a long-standing member of the Rotary Club of Murrumburrah Harden, serving as Treasurer for more than 10 years, and is also a member of the Historical Truck and Tractor Club.

Special responsibilities: Nil.

Amanda Jones

Title: Non-executive director (resigned 30 June 2026)

Experience and expertise: Mandy brings more than 20 years of administration experience across a range of organisations and holds a Certificate IV in Business Administration. She is a Justice of the Peace and is actively involved in her local community as a member of the Harden Hospital Auxiliary.

Special responsibilities: People and Culture Committee, Budget Committee.

Judith McFadyen

Title: Non-executive director (resigned 27 November 2025)

Experience and expertise: Community Involvement: Board Member and Past Chairperson of Murrumburrah-Harden Flexible Care Services Inc, Board Member of MFSL. Tertiary Qualifications: Diploma of Teaching, Bachelor of Education (Sec), Graduate Diploma in Education (Special Education), Graduate Diploma in education (Early Childhood Education). Past employment in Education, working with children from birth to year 10. Past Chairperson of Murrumburrah-Harden Flexible Care Services Inc.

Special responsibilities: Nil.

Amy Mergard

Title: Non-executive director (resigned 27 November 2025)

Experience and expertise: Amy has 4 years' experience as a Director.

Special responsibilities: Nil.

Directors' report (continued)

Company secretary

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

Experience and expertise: Joy holds a Bachelor's degree in Information Services (Librarianship), a Graduate Diploma in Applied Corporate Governance, and a Diploma in Project Management. She brings a strong background in banking, quality assurance, administration and proofreading, complemented by more than 25 years of company secretarial experience with unlisted public companies.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$247,802 (30 June 2025: \$205,068).

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 6 cents per share (2025: 6 cents)	41,286	41,286

Significant changes in the state of affairs

Due to Bendigo Bank changing their agency model, all agencies Australia wide were advised they would no longer continue to be able to trade. The company was left with no option other than to permanently close the Grenfell Agency on 14 October 2025.

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

Matters subsequent to the end of the financial year

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 BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

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

Likely developments and expected results of operations

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

Directors' report (continued)

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
Evelyn Shea	12	11
Susan McCarthy	12	12
Zita McLeod	12	11
Craig Nicholls	12	9
Stephen Woodhead	12	7
Amanda Jones	12	10
Judith McFadyen	5	5
Amy Mergard	5	1

Directors' benefits

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

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
Evelyn Shea	2,500	-	2,500
Susan McCarthy	15,001	-	15,001
Judith McFadyen	-	-	-
Amy Mergard	500	-	500
Zita McLeod	-	-	-
Amanda Jones	2,500	-	2,500
Stephen Woodhead	2,000	-	2,000
Craig Nicholls	-	-	-

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.

Directors' report (continued)

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 23 to the accounts.

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



Evelyn Shea
Chair

24 September 2026

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 Murrumbolla Financial Services Limited

As lead auditor for the audit of Murrumbolla 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'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Financial statements

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	1,047,572	1,032,478
Other revenue	7	144,121	4,727
Finance revenue		11,631	13,130
Total revenue		1,203,324	1,050,335
Employee benefits expense	8	(412,369)	(337,264)
Advertising and marketing costs		(10,628)	(12,258)
Occupancy and associated costs		(2,456)	(2,572)
System costs		(18,633)	(18,534)
Depreciation and amortisation expense	8	(30,912)	(22,710)
Finance costs	8	(3,608)	(330)
General administration expenses		(182,387)	(181,919)
Agent commission		(34,774)	(117,224)
Total expenses before community contributions and income tax		(695,767)	(692,811)
Profit before community contributions and income tax expense		507,557	357,524
Charitable donations, sponsorships and grants expense	8	(177,121)	(83,966)
Profit before income tax expense		330,436	273,558
Income tax expense	9	(82,634)	(68,490)
Profit after income tax expense for the year		247,802	205,068
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		247,802	205,068
		Cents	Cents
Basic earnings per share	25	36.01	29.80
Diluted earnings per share	25	36.01	29.80

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

Financial statements (continued)

Statement of financial position as at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	766,842	597,805
Trade and other receivables	11	95,169	70,409
Investments	12	311,272	299,931
Other assets		12,383	11,549
Total current assets		1,185,666	979,694
Non-current assets			
Property, plant and equipment	13	204,835	194,451
Intangible assets	14	8,706	21,764
Deferred tax assets	9	-	3,309
Total non-current assets		213,541	219,524
Total assets		1,399,207	1,199,218
Liabilities			
Current liabilities			
Trade and other payables	15	70,851	75,293
Borrowings	16	10,390	8,834
Current tax liabilities	9	3,573	8,222
Employee benefits		21,548	21,434
Total current liabilities		106,362	113,783
Non-current liabilities			
Borrowings	16	33,885	45,092
Deferred tax liabilities	9	11,804	-
Employee benefits		798	501
Total non-current liabilities		46,487	45,593
Total liabilities		152,849	159,376
Net assets		1,246,358	1,039,842
Equity			
Issued capital	17	688,108	688,108
Retained earnings		558,250	351,734
Total equity		1,246,358	1,039,842

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

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		688,108	187,952	876,060
Profit after income tax expense		-	205,068	205,068
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	205,068	205,068
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(41,286)	(41,286)
Balance at 30 June 2025		688,108	351,734	1,039,842

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2025		688,108	351,734	1,039,842
Profit after income tax expense		-	247,802	247,802
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	247,802	247,802
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(41,286)	(41,286)
Balance at 30 June 2026		688,108	558,250	1,246,358

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

Financial statements (continued)

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)		1,133,892	1,171,502
Payments to suppliers and employees (inclusive of GST)		(951,209)	(862,136)
Interest received		11,341	13,428
Interest and other finance costs paid		(3,608)	(330)
Income taxes paid		(69,500)	(33,199)
Net cash provided by operating activities	24	120,916	289,265
Cash flows from investing activities			
Investment in term deposits		(11,341)	(13,428)
Payments for property, plant and equipment	13	(28,238)	(86,174)
Payments for intangibles		-	(13,333)
Insurance proceeds received for damaged property, plant and equipment	7	138,637	-
Net cash provided by/(used in) investing activities		99,058	(112,935)
Cash flows from financing activities			
Proceeds from borrowings		-	55,805
Dividends paid	19	(41,286)	(41,286)
Repayment of borrowings		(9,651)	(1,879)
Net cash provided by/(used in) financing activities		(50,937)	12,640
Net increase in cash and cash equivalents		169,037	188,970
Cash and cash equivalents at the beginning of the financial year		597,805	408,835
Cash and cash equivalents at the end of the financial year	10	766,842	597,805

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

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Reporting entity

The financial statements cover Murrumbidgee 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 23 Neill Street, Harden NSW 2587.

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

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements

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

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

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

Current and non-current classification

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Investments and other financial assets

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.

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.

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

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.

Estimates and assumptions

Estimation of useful lives of assets

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

Note 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, on March 2027. The directors are in ongoing negotiations with Bendigo Bank regarding the renewal of the franchise agreement; however, no formal agreement or letter of support has been obtained as at the date of this report.

Bendigo Bank has advised its intention to enter into a new franchise agreement for a further five-year term, subject to the company satisfying the renewal conditions contained in the existing agreement. The directors have formally requested renewal of the franchise agreement for a further five-year term commencing 12 March 2027 and have a reasonable expectation that the franchise agreement will be renewed.

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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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	940,046	894,101
Fee income	72,085	99,542
Commission income	35,441	38,835
	1,047,572	1,032,478

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

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 \$
Insurance recoveries	138,637	-
Other income	5,484	4,727
	144,121	4,727

During the year, the Company received insurance proceeds of \$138,637 in relation to a hailstorm damage claim arising from an event that occurred on 10 February 2025. The settlement was finalised during the financial year and the funds were received on 30 June 2026. The recovery relates primarily to building roof reinstatement works and solar panel repairs required to restore the branch premises to its pre-loss condition. The insurance proceeds have been recognised in profit or loss in the current financial year.

As at 30 June 2026, repair and reinstatement works had not commenced and the insurance proceeds remained on hand pending completion of those works.

Notes to the financial statements (continued)

Note 8. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	357,498	293,015
Contributions to defined contribution plans	42,543	32,751
Expenses related to long service leave	-	(24)
Other expenses	12,328	11,522
	412,369	337,264

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	9,784	6,005
Plant and equipment	1,691	1,724
Motor vehicles	6,379	699
	17,854	8,428
<i>Amortisation of intangible assets</i>		
Franchise fee	13,058	14,282
	30,912	22,710

Finance costs

	2026 \$	2025 \$
Loan interest	3,608	330

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	77,121	83,966
Contribution to the Community Enterprise Foundation™	100,000	-
	177,121	83,966

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

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

When the company pays a contribution 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.

Notes to the financial statements (continued)

Note 9. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	67,521	61,490
Movement in deferred tax	15,113	7,000
Aggregate income tax expense	82,634	68,490
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	330,436	273,558
Tax at the statutory tax rate of 25%	82,609	68,390
Tax effect of:		
Non-deductible expenses	25	100
Income tax expense	82,634	68,490

	2026 \$	2025 \$
<i>Deferred tax assets / (liabilities)</i>		
Employee benefits	5,587	5,484
Accrued expenses	1,535	1,170
Income accruals	(530)	(457)
Property, plant and equipment	(15,300)	-
Prepayments	(3,096)	(2,888)
Deferred tax asset/(liability)	(11,804)	3,309

	2026 \$	2025 \$
Provision for income tax	3,573	8,222

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	766,842	597,805

Notes to the financial statements (continued)

Note 11. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	93,050	68,580
Accrued income	2,119	1,829
	95,169	70,409

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 12. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	311,272	299,931

Note 13. Property, plant and equipment

	2026 \$	2025 \$
Land - at cost	30,000	30,000
Buildings - at cost	402,003	373,765
Less: Accumulated depreciation	(283,680)	(273,896)
	118,323	99,869
Plant and equipment - at cost	56,670	56,669
Less: Accumulated depreciation	(44,112)	(42,420)
	12,558	14,249
Motor vehicles - at cost	51,032	51,032
Less: Accumulated depreciation	(7,078)	(699)
	43,954	50,333
	204,835	194,451

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

	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2024	30,000	70,732	15,973	-	116,705
Additions	-	35,142	-	51,032	86,174
Depreciation	-	(6,005)	(1,724)	(699)	(8,428)
Balance at 30 June 2025	30,000	99,869	14,249	50,333	194,451
Additions	-	28,238	-	-	28,238
Depreciation	-	(9,784)	(1,691)	(6,379)	(17,854)
Balance at 30 June 2026	30,000	118,323	12,558	43,954	204,835

Notes to the financial statements (continued)

Note 13. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Buildings	15 to 40 years
Plant and equipment	2.5 to 20 years
Motor vehicles	8 years

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

Improvements are depreciated over the estimated useful life of the assets. Land is not depreciated.

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.

During the year, the company's branch premises sustained hailstorm damage. Insurance proceeds relating to the damage have been disclosed in Note 7. Expenditure incurred to restore the assets to their pre-loss condition has been recognised in accordance with the nature of the underlying works.

Note 14. Intangible assets

	2026 \$	2025 \$
Franchise fee - at cost	65,291	65,291
Less: Accumulated amortisation	(56,585)	(43,527)
	8,706	21,764

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

	Franchise fee \$
Balance at 1 July 2024	37,421
Historical adjustment	(1,375)
Amortisation expense	(14,282)
Balance at 30 June 2025	21,764
Amortisation expense	(13,058)
Balance at 30 June 2026	8,706

Accounting policy for intangible assets

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 15. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	4,233	35,078
Other payables and accruals	66,618	40,215
	70,851	75,293

	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	70,851	75,293
Less statutory payables, included in trade and other payables	(42,569)	(5,808)
	28,282	69,485

Note 16. Borrowings

	2026 \$	2025 \$
<i>Current liabilities</i>		
Bank loans	10,390	8,834
<i>Non-current liabilities</i>		
Bank loans	33,885	45,092
	44,275	53,926

Bank loans

An equipment loan was obtained to fund the purchase of a motor vehicle. Interest is recognised at rate of 7.25% (2025: 7.25%). The loan is secured by the underlying asset.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 17. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	668,108	668,108	688,108	688,108

Accounting policy for issued capital

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

Notes to the financial statements (continued)

Note 17. Issued capital (continued)

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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.

Notes to the financial statements (continued)

Note 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

Dividends provided for and paid during the period

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

	2026 \$	2025 \$
Fully franked dividend of 6 cents per share (2025: 6 cents)	41,286	41,286

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	162,628	143,191
Franking credits (debits) arising from income taxes paid (refunded)	69,500	33,199
Franking debits from the payment of franked distributions	(13,762)	(13,762)
	218,366	162,628
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	218,366	162,628
Franking credits (debits) that will arise from payment (refund) of income tax	19,560	8,222
Franking credits available for future reporting periods	237,926	170,850

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.

Notes to the financial statements (continued)

Note 20. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, term deposits and borrowings. The company does not have 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.

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

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 10)	766,842	597,805
Trade and other receivables excluding prepayments (note 11)	95,169	70,409
Term deposits (note 12)	311,272	299,931
	1,173,283	968,145
Financial liabilities		
Trade and other payables (note 15)	28,282	69,485
Bank loans (note 16)	44,275	53,926
	72,557	123,411

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

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

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of \$766,842 and term deposits of \$311,272 at 30 June 2026 (2025: \$597,805 and \$299,931).

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2026		2025	
	Nominal interest rate %	Balance \$	Nominal interest rate %	Balance \$
Bank loans	7.25%	44,275	7.25%	53,926
Net exposure to cash flow interest rate risk		44,275		53,926

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

Price risk

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

Liquidity risk

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

The following are the 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				
Bank loans	13,259	37,567	-	50,826
Trade and other payables	28,282	-	-	28,282
Total non-derivatives	41,541	37,567	-	79,108

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Bank loans	13,259	50,826	-	64,085
Trade and other payables	69,485	-	-	69,485
Total non-derivatives	82,744	50,826	-	133,570

Notes to the financial statements (continued)

Note 21. Key management personnel disclosures

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

Evelyn Shea	Amy Mergard
Susan McCarthy	Amanda Jones
Zita McLeod	Stephen Woodhead
Judith McFadyen	Craig Nicholls

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

The company's Branch Manager is considered Key Management Personnel and receives remuneration in their capacity as an employee. Details of Key Management Personnel compensation are disclosed below.

Key management personnel compensation comprised the following:

	2026 \$	2025 \$
Short-term employee benefits	140,000	75,732
Post-employment benefits	16,800	-
	156,800	75,732

The increase in Key Management Personnel compensation during the year is primarily attributable to the Branch Manager being employed for the full financial year in 2026, compared to only a partial year of service in the prior reporting period.

Note 22. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
The company provided a donation to Harden Rotary Club. The total benefit received was:	10,000	10,000
The company provided sponsorship funds to Harden Country Club, where a board member is the spouse of a board member at the company. Total benefit received was:	2,500	3,300
The company made a payment to Southern Alibreads Handlers Camp:	1,500	-

Notes to the financial statements (continued)

Note 23. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	10,592	10,270
<i>Other services</i>		
Share registry services	9,745	7,589
	20,337	17,859

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

	2026 \$	2025 \$
Profit after income tax expense for the year	247,802	205,068
Adjustments for:		
Depreciation and amortisation	30,912	22,710
Net gain on disposal of non-current assets	(138,637)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(24,760)	30,874
Decrease in income tax refund due	-	25,752
Decrease in deferred tax assets	3,309	7,000
Increase in prepayments	(834)	(577)
Decrease in trade and other payables	(7,112)	(2,577)
Increase/(decrease) in provision for income tax	(1,979)	8,222
Increase in deferred tax liabilities	11,804	-
Increase/(decrease) in employee benefits	411	(7,207)
Net cash provided by operating activities	120,916	289,265

Note 25. Earnings per share

	2026 \$	2025 \$
Profit after income tax	247,802	205,068

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	688,108	688,108
Weighted average number of ordinary shares used in calculating diluted earnings per share	688,108	688,108

	Cents	Cents
Basic earnings per share	36.01	29.80
Diluted earnings per share	36.01	29.80

Notes to the financial statements (continued)

Note 26. Commitments

During the 2023 financial year, the company made sponsorship commitments of \$10,000 per annum for a period of five (5) years to the Harden Art Show Incorporated for the Harden Murrumburrah Landscape Painting Prize. The company has no other commitments contracted for which would be provided for in future reporting periods.

Note 27. Contingencies

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

Note 28. Events after the reporting period

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 BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

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

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



Evelyn Shea
Chair

24 September 2026

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 members of Murrumbidgee Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

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

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

What we have audited

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

- the Statement of financial position as at 30 June 2026
- 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 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 are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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



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

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

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Community Bank · Harden Murrumburrah
23 Neill Street, Harden NSW 2587
Phone: 02 6386 5083
Email: hardenmurrumburrahmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/harden_murrumburrah

Franchisee: Murrumbidgee Financial Services Limited
ABN: 12 118 357 467
23 Neill Street, Harden NSW 2587
Phone: 02 6386 5083

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