

# Annual Report 2025

North Central Financial  
Services Limited

Community Bank  
Charlton & District

ABN 90 140 265 394



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# Chair's report

For year ending 30 June 2025

I am pleased to present the North Central Financial Services Ltd (NCFS) Chairperson's report for the operating year 2024 to 2025. The Community Bank Charlton & District has continued its solid performance with Directors and Staff members making a positive contribution to our community through financial investment and banking services. We are proud that Community Bank Charlton & District has contributed \$1.865 million to community projects over its twenty-two years of operation.

A new franchise agreement between Bendigo Bank and the Bendigo Bank community banks across Australia was implemented in April this year. The lead time began well before the implementation date and there were several information sessions which meant that the Directors of Community Bank Charlton & District were fully informed and comfortable in approving the new agreement.

This year the Board has appointed two new Directors bringing us to a full component of Board members. Having a mix of newer and more experienced Board members brings different perspectives and healthy debate to our meetings. Our Secretary, Kerrie Soulsby has served us well in 2025 and we are fortunate that our honorary Treasurer, Simon Peck has continued in his role. Our Deputy Chair, Liz Riley, has also continued in her role and has represented the Board at many community functions.

Several of the Board Directors have represented Community Bank Charlton & District at award and presentation events and they all take an active interest in the community and the broader environment. As an example, one of our newer Directors, Rebecca Postlethwaite, will represent the Board at the forthcoming Community Bank forum in Canberra in September 2025. I would like to thank all ten Board Directors for their contribution over the past year – their thoughtful and considered input is very much appreciated.

## The region

In 2024/25 the district's farmers and associated businesses continue to be the largest contributor to the region's economic activity with the season being a reasonably productive one for the agricultural sector. The cropping segment had a mixed season, with some late spring rains boosting yields but it provided a difficult harvest environment with some quality downgrades occurring.

Beef and sheep meat producers have experienced a mixed season. Poorer winter and early spring rains in 2024 resulted in lean pasture growth and large amounts of high value supplementary feeding required, this has been off set with exceptional late season pricing. Wool producers have had a tougher season, with all the same feeding issues but suffering through quite suppressed pricing.

The start to the 2025 year has been a lean one on the rainfall chart, which has resulted in slow crop and pasture growth through the autumn. Solid early winter rains have now been received and as we approach the end of June conditions are improving.

Other businesses in the region have held their ground and there has been some growth with new entrants to the market providing goods, services and employment thereby boosting the local economy.

## Stakeholders

**Community.** Over the twenty-two years of Community Bank Charlton & District operations, we have contributed to large and small community projects. The most significant was the development of Charlton Park with the bank contributing \$570,000 to the complex which is now a much used and appreciated community asset. Over the last few years, we have built our reserves and, with the guidance of the Bendigo Bank's Community Enterprise Foundation, in the latter part of 2025 we will be exploring further opportunities for investment.

## Chair's report (continued)

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**Customers.** Our first commitment is to provide our community with banking services, and we have continued to do that throughout this period. Our staff are committed to providing excellent customer service and to always maintaining confidentiality.

**Shareholders.** Our shareholder portfolio has seen little change in the past year, and we thank our shareholders for their ongoing loyalty and commitment to the NCFS. The 2024 dividend was seven cents compared with seven cents the previous year.

**Agencies.** We have had three sub-agencies for some years – at Birchip, Boort and Wycheproof. The Birchip agency discontinued their operations in the last financial year and in the next financial year, the agencies at Wycheproof and Boort will discontinue their operations. This is the result of a difficult decision by Bendigo Bank to close agencies across Australia.

The Community Bank Charlton & District is committed to providing ongoing banking services, sponsorship and grant funding in these communities. For our customers in Wycheproof and Boort, we will be subsidising fees when they use Bank@Post services. If requested, our staff will also meet with customers in their towns to discuss loans and investments.

**Staff.** Our Manager, Je-Anne McVicar-Williams, has gone from strength to strength and proven herself to be very capable in the role of Manager. Je-Anne keeps the Board fully informed through her updates at meetings and her written reports. In addition, her customer service and staff management skills are excellent.

We have had some staff changes over the year, but we are fortunate to have a core of loyal staff members who provide excellent service and who enjoy the work they do. Our longest-serving staff member, Tracy Dalrymple, joined the bank at its commencement and is a much-appreciated asset to our Community Bank Charlton & District

**Board.** As reflected in the Annual Report, many of our Board Directors have roles in other community groups. Over 40% of Buloke Shire's community members volunteer in some way so it is to be expected that there will be an overlap between organisations at times. However, I am pleased to note that when Directors have a conflict of interest, they immediately declare it and refrain from the decision-making process on such occasions.

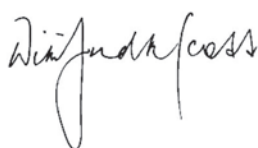
### Grants

A list of the grants that we provided in 2024/25 is detailed in the report. However, it is interesting to look back on the major grants over Community Bank Charlton & District twenty-two years of operation. As well as the annual sponsorship of sporting, arts and other groups, there have been infrastructure and equipment grants in the towns of Charlton, Wycheproof, Birchip and Boort as well as smaller centres. These grants will frequently be for assets that need repair and for which there is no obvious funding available elsewhere.

### Future Strategy

The success of our investment in Charlton Park and other community assets has made the Board reflect on what comes next. We have refreshed our strategy, and we will be holding a community meeting in the second half of 2025 to seek the community's input into our next big investment. It might be a large project in partnership with others, or it could be a series of smaller projects – we will be guided by the community's aspirations.

In the meantime, we will continue to support the community with banking services and investment through the grants, sponsorships and services that we provide.



**Win Scott**  
**Chair**  
**North Central Financial Services**

# Manager's report

For year ending 30 June 2025

I'm honoured to present my second Branch Manager's report for the Charlton & District Community Bank Annual report.

As we close out another financial year all of us here at Community Bank Charlton & District would like to thank everyone who has supported us through the year we couldn't have done it without you.

One of the highlights this year was our team's unwavering focus on risk and compliance, and pleasingly our branch has again gained a successful Branch Assurance Review at the beginning of the year, this is a testament to the staff's attentiveness and willingness to always do the right thing for our customers.

A special thank you to our incredible staff Tracy Dalrymple and Alena Olive your hard work and dedication are deeply appreciated. We have seen a few staff changes throughout the year with Michelle resigning to take on a role closer to home and Neve resigning to take on a Customer Relationship Role in Inglewood, we have welcomed Amy Peace and Erika Bicket into our team who we hope both have long and successful careers with us here in Charlton.

While we've achieved great milestones this year, we recognise that the year ahead will bring new challenges. The banking industry and our customers' needs are changing and evolving quickly. Our branch staff are fully committed to adapting, ensuring we remain flexible and responsive to these changes while continuing to deliver outstanding banking services to our community. With your support, we will rise to meet these challenges and sustain the growth that enables us to continue investing back into our community.

I'd like to take this opportunity to thank our agency Principal Daniel Snyder and staff in Wycheproof and Boort for their efforts this past year and with the closures due in October I would like to ensure our customers that we remain committed to staying connected and continuing our support to these communities

I'd like to take this opportunity to thank our Chairperson Win Scott for the unwavering support, guidance and leadership given to our staff and branch and a big thank you to all of our Board of Directors and shareholders, they all play a significant role in advocating and promoting our branch in the community and supporting us with governance and strategic direction as well at a personal level supporting us in our endeavours to support our community.

I'd like to acknowledge the efforts of our Regional Manager, Shaun Leech. We are lucky to have Shaun supporting us alongside the rest of the regional team in our regional office in Bendigo and look forward to working with them all throughout the coming year.

Finally, is a huge thank you to all our valued customers and community for their ongoing support and contribution to our success, without you all we wouldn't be able to make the positive impact we do in our community.

**Je-Anne McVicar-Williams**  
**Branch Manager**  
**Community Bank Charlton & District**

## Community Contributions

Since our establishment in 2003, Community Bank Charlton & District have been committed to investing in our local communities, we have achieved this through grants, sponsorships and donations.

In 24/25 we supported 32 groups with an investment of over \$554,000 and we are proud to continue supporting our local community groups.



**\$1.865 million**  
reinvested since  
2003



**32 projects**  
supported in  
24/25



**\$544k** reinvested  
in 24/25

# Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

**Justine Minne**

**Head of Community Banking, Bendigo Bank**

# Community Bank National Council report

For year ending 30 June 2025



COMMUNITY BANK  
NATIONAL COUNCIL

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

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

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

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

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

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

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

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

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

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

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

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

**Community Bank National Council**

# Directors' report

**30 June 2025**

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

## Directors

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

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                     | Winifred Maude Scott                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Winifred holds a Bachelor of Arts, Diploma in Education and Doctor of Education (honary). Winifred was a CEO, and has held a strategic planning, management, marketing, financial management, and human resource oversight board positions in Mildura, Charlton and formerly State Government. Winifred is Chair for Charlton Courthouse Gallery, Deputy Chair NCLLEN, Board member of the Charlton Neighbourhood House, and volunteer at the Rex Theatre. Winifred is proprietor of Charlton Vintage. |
| Special responsibilities: | Chair, Strategic Planning Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Name:                     | Matthew Simon Peck                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Matthew is a School Teacher.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Special responsibilities: | Audit Committee and Finance Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Name:                     | Matthew William McGurk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Matthew works as a Farmer and Agronomist.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Special responsibilities: | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Name:                     | Neville Spruhan-Cloak                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Neville is a Café Owner. He is a Project Implementation Manager for Australia Post Transport Operations Support Manager and a Director at Boola Pty Ltd.                                                                                                                                                                                                                                                                                                                                               |
| Special responsibilities: | Sponsorship, Policy and Governance Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Name:                     | Elizabeth Anne Riley                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Elizabeth holds a bachelor of Accounting with eight years part time employment at a local accounting firm. She was also the finance officer for Charlton Neighbourhood House for three years and is currently Treasurer. Currently working in Administration at Charlton College. Elizabeth is currently a Committee and Executive member of numerous sporting and community groups in Charlton.                                                                                                       |
| Special responsibilities: | Marketing sub-committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Name:                     | Kerrie Louise Mulholland                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Kerrie has a diploma in Business & Hospitality/Tourism. Kerrie is a committee member of Charlton Neighbourhood House and is currently a judge for the Victorian Tourism Industry Council awards.                                                                                                                                                                                                                                                                                                       |
| Special responsibilities: | Secretary and Marketing sub-committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Name:                     | Dale Trevor Watts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Managing a farming enterprise in the Charlton District. Bachelor of Veterinary Science. Former Secretary of the Charlton Rotary Club. Secretary of Coonooer Bridge Hall Committee. Woolclasser. Veterinary Surgeon.                                                                                                                                                                                                                                                                                    |
| Special responsibilities: | Nil.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Directors' report (continued)

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Name: Victoria Gentle  
Title: Non-executive director (appointed 22 July 2024)  
Experience and expertise: With a Bachelor in Psychology, Victoria brings a diverse background in small business ownership, community development and suicide prevention. Victoria currently serves as a secretary of the local community and volunteer with Lifeline.

Name: Margaret Therese McGrath  
Title: Non-executive director (appointed 23 September 2024)  
Experience and expertise: Member of Golden Grains Museum committee, secretary of Charlton Vinnies, secretary of Regional Vinnies (St Vincent de Paul Society).

Name: Rebecca Postlethwaite  
Title: Non-executive director (appointed 1 April 2025)  
Experience and expertise: Rebecca has a Bachelor of Biomedical Sciences and a Diploma of Languages (Spanish), she currently works for the Victorian State Government. She has previously worked for the Buloke Shire Council and the Charlton Neighbourhood House and is a committee member for the Donald Squash Club.

### Company secretary

The company secretary is Kerrie Louise Mulholland. Kerrie was appointed to the position of company secretary on 1 January 2022.

### 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 loss for the company after providing for income tax amounted to \$3,157 (2024: profit of \$32,570).

Operations have continued to perform in line with expectations.

### Dividends

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

|                                                             | 2025<br>\$    | 2024<br>\$    |
|-------------------------------------------------------------|---------------|---------------|
| Fully franked dividend of 7 cents per share (2024: 7 cents) | <u>28,522</u> | <u>28,522</u> |

### Significant changes in the state of affairs

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

### Matters subsequent to the end of the financial year

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

### Likely developments

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

### Environmental regulation

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

## Directors' report (continued)

### Meetings of directors

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

|                          | Board<br>Eligible | Board<br>Attended |
|--------------------------|-------------------|-------------------|
| Winifred Maude Scott     | 12                | 10                |
| Matthew Simon Peck       | 12                | 12                |
| Matthew William McGurk   | 12                | 9                 |
| Neville Spruhan-Cloak    | 12                | 12                |
| Elizabeth Anne Riley     | 12                | 8                 |
| Kerrie Louise Mulholland | 12                | 12                |
| Dale Trevor Watts        | 12                | 9                 |
| Victoria Gentle          | 12                | 9                 |
| Margaret Therese McGrath | 7                 | 10                |
| Rebecca Postlethwaite    | 4                 | 4                 |

### 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.

### Directors' interests

The interest in company shareholdings for each director are:

|                          | Balance at<br>the start of<br>the year | Changes | Balance at<br>the end of<br>the year |
|--------------------------|----------------------------------------|---------|--------------------------------------|
| Winifred Maude Scott     | -                                      | -       | -                                    |
| Matthew Simon Peck       | 3,201                                  | -       | 3,201                                |
| Matthew William McGurk   | -                                      | -       | -                                    |
| Neville Spruhan-Cloak    | -                                      | -       | -                                    |
| Elizabeth Anne Riley     | -                                      | -       | -                                    |
| Kerrie Louise Mulholland | -                                      | -       | -                                    |
| Dale Trevor Watts        | 1,000                                  | -       | 1,000                                |
| Victoria Gentle          | -                                      | -       | -                                    |
| Margaret Therese McGrath | -                                      | -       | -                                    |
| Rebecca Postlethwaite    | -                                      | -       | -                                    |

### Shares under option

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

### Shares issued on the exercise of options

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

### Indemnity and insurance of directors and officers

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

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

### Proceedings on behalf of the company

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

## Directors' report (continued)

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

### **Indemnity and insurance of auditor**

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

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

### **Non-audit services**

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

The board 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:

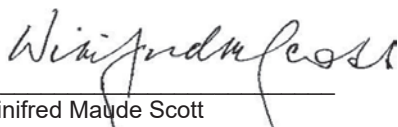
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional 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



Winifred Maude Scott  
Chair

1 September 2025

# Auditor's independence declaration



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

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 1 September 2025

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

**Adrian Downing**  
Lead Auditor

# Financial statements

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

|                                                                      | Note | 2025<br>\$            | 2024<br>\$           |
|----------------------------------------------------------------------|------|-----------------------|----------------------|
| Revenue from contracts with customers                                | 7    | 1,176,221             | 1,216,772            |
| Other revenue                                                        |      | -                     | 3,040                |
| Finance revenue                                                      |      | 20,763                | 23,803               |
| Gain on remeasurement of right-of-use assets                         |      | -                     | 51,456               |
| Total revenue                                                        |      | <u>1,196,984</u>      | <u>1,295,071</u>     |
| Employee benefits expense                                            | 8    | (402,253)             | (385,490)            |
| Advertising and marketing costs                                      |      | (6,518)               | (17,429)             |
| Occupancy and associated costs                                       |      | (16,151)              | (18,756)             |
| System costs                                                         |      | (18,356)              | (19,960)             |
| Depreciation and amortisation expense                                | 8    | (38,989)              | (30,988)             |
| Finance costs                                                        | 8    | (6,171)               | (8,004)              |
| General administration expenses                                      |      | (168,331)             | (210,461)            |
| Total expenses before community contributions and income tax         |      | <u>(656,769)</u>      | <u>(691,088)</u>     |
| <b>Profit before community contributions and income tax expense</b>  |      | 540,215               | 603,983              |
| Charitable donations and sponsorships expense                        | 8    | <u>(544,243)</u>      | <u>(559,837)</u>     |
| <b>Profit/(loss) before income tax (expense)/benefit</b>             |      | (4,028)               | 44,146               |
| Income tax (expense)/benefit                                         | 9    | <u>871</u>            | <u>(11,576)</u>      |
| <b>Profit/(loss) after income tax (expense)/benefit for the year</b> |      | (3,157)               | 32,570               |
| Other comprehensive income for the year, net of tax                  |      | <u>-</u>              | <u>-</u>             |
| <b>Total comprehensive income for the year</b>                       |      | <u><u>(3,157)</u></u> | <u><u>32,570</u></u> |
|                                                                      |      | <b>Cents</b>          | <b>Cents</b>         |
| Basic earnings per share                                             | 26   | (0.77)                | 7.99                 |
| Diluted earnings per share                                           | 26   | (0.77)                | 7.99                 |

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

## Financial statements (continued)

### North Central Financial Services Limited Statement of financial position As at 30 June 2025

|                                | Note | 2025<br>\$     | 2024<br>\$     |
|--------------------------------|------|----------------|----------------|
| <b>Assets</b>                  |      |                |                |
| <b>Current assets</b>          |      |                |                |
| Cash and cash equivalents      | 10   | 86,761         | 21,058         |
| Trade and other receivables    | 11   | 124,992        | 143,818        |
| Investments                    | 12   | 198,522        | 248,522        |
| Current tax assets             | 9    | 602            | 7,125          |
| Total current assets           |      | <u>410,877</u> | <u>420,523</u> |
| <b>Non-current assets</b>      |      |                |                |
| Property, plant and equipment  | 13   | 41,174         | 57,432         |
| Right-of-use assets            | 14   | 24,949         | 32,532         |
| Intangible assets              | 15   | 46,234         | 60,252         |
| Deferred tax assets            | 9    | 23,311         | 22,440         |
| Total non-current assets       |      | <u>135,668</u> | <u>172,656</u> |
| <b>Total assets</b>            |      | <u>546,545</u> | <u>593,179</u> |
| <b>Liabilities</b>             |      |                |                |
| <b>Current liabilities</b>     |      |                |                |
| Trade and other payables       | 16   | 27,634         | 27,119         |
| Lease liabilities              | 17   | 22,021         | 22,021         |
| Employee benefits              |      | 28,880         | 30,623         |
| Total current liabilities      |      | <u>78,535</u>  | <u>79,763</u>  |
| <b>Non-current liabilities</b> |      |                |                |
| Lease liabilities              | 17   | 43,906         | 61,385         |
| Employee benefits              |      | 6,871          | 3,936          |
| Provisions                     |      | 11,862         | 11,045         |
| Total non-current liabilities  |      | <u>62,639</u>  | <u>76,366</u>  |
| <b>Total liabilities</b>       |      | <u>141,174</u> | <u>156,129</u> |
| <b>Net assets</b>              |      | <u>405,371</u> | <u>437,050</u> |
| <b>Equity</b>                  |      |                |                |
| Issued capital                 | 18   | 384,288        | 384,288        |
| Retained earnings              |      | 21,083         | 52,762         |
| <b>Total equity</b>            |      | <u>405,371</u> | <u>437,050</u> |

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

## Financial statements (continued)

### North Central Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

|                                                              | Note | Issued<br>capital<br>\$ | Retained<br>earnings<br>\$ | Total<br>equity<br>\$ |
|--------------------------------------------------------------|------|-------------------------|----------------------------|-----------------------|
| <b>Balance at 1 July 2023</b>                                |      | 384,288                 | 48,714                     | 433,002               |
| Profit after income tax expense                              |      | -                       | 32,570                     | 32,570                |
| Other comprehensive income, net of tax                       |      | -                       | -                          | -                     |
| Total comprehensive income                                   |      | -                       | 32,570                     | 32,570                |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Dividends provided for or paid                               | 20   | -                       | (28,522)                   | (28,522)              |
| <b>Balance at 30 June 2024</b>                               |      | <u>384,288</u>          | <u>52,762</u>              | <u>437,050</u>        |
| <br><b>Balance at 1 July 2024</b>                            |      | <br>384,288             | <br>52,762                 | <br>437,050           |
| Profit after income tax expense                              |      | -                       | (3,157)                    | (3,157)               |
| Other comprehensive income, net of tax                       |      | -                       | -                          | -                     |
| Total comprehensive income                                   |      | -                       | (3,157)                    | (3,157)               |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Dividends provided for or paid                               | 20   | -                       | (28,522)                   | (28,522)              |
| <b>Balance at 30 June 2025</b>                               |      | <u>384,288</u>          | <u>21,083</u>              | <u>405,371</u>        |

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

## Financial statements (continued)

### North Central Financial Services Limited Statement of cash flows For the year ended 30 June 2025

|                                                                  | Note | 2025<br>\$  | 2024<br>\$  |
|------------------------------------------------------------------|------|-------------|-------------|
| <b>Cash flows from operating activities</b>                      |      |             |             |
| Receipts from customers (inclusive of GST)                       |      | 1,305,732   | 1,344,145   |
| Payments to suppliers and employees (inclusive of GST)           |      | (1,265,880) | (1,313,735) |
| Interest received                                                |      | 21,813      | 24,090      |
| Income taxes refunded/(paid)                                     |      | 6,523       | (5,206)     |
| Net cash provided by operating activities                        | 25   | 68,188      | 49,294      |
| <b>Cash flows from investing activities</b>                      |      |             |             |
| Redemption of/(investment in) investments                        |      | 50,000      | 118,500     |
| Payments for property, plant and equipment                       |      | (1,130)     | (58,128)    |
| Payments for intangible assets                                   |      | -           | (70,097)    |
| Net cash provided by/(used in) investing activities              |      | 48,870      | (9,725)     |
| <b>Cash flows from financing activities</b>                      |      |             |             |
| Interest and other finance costs paid                            |      | (5,354)     | (7,316)     |
| Dividends paid                                                   | 20   | (28,522)    | (28,522)    |
| Repayment of lease liabilities                                   |      | (17,479)    | (15,517)    |
| Net cash used in financing activities                            |      | (51,355)    | (51,355)    |
| Net increase/(decrease) in cash and cash equivalents             |      | 65,703      | (11,786)    |
| Cash and cash equivalents at the beginning of the financial year |      | 21,058      | 32,844      |
| Cash and cash equivalents at the end of the financial year       | 10   | 86,761      | 21,058      |

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

# Notes to the financial statements

**30 June 2025**

## **Note 1. Reporting entity**

The financial statements cover North Central 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 39-41 High Street, Charlton Vic 3525.

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 1 September 2025. The directors have the power to amend and reissue the financial statements.

## **Note 3. Material accounting policy information**

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

### **Adoption of new and revised accounting standards**

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

### **Accounting standards issued but not yet effective**

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

### **Current and non-current classification**

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

### **Investments**

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

### **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.

## Notes to the financial statements (continued)

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### Note 3. Material accounting policy information (continued)

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)

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### 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.

#### *Going concern*

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

#### *Recovery of deferred tax assets*

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

#### *Lease term*

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

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

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

### **Estimates and assumptions**

#### *Estimation of useful lives of assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

## Notes to the financial statements (continued)

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

#### *Incremental borrowing rate*

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

### Note 5. Economic dependency

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in October 2028.

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

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

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

### Note 6. Change to comparative figures

#### *Reclassification of investment account*

During the year, the directors reviewed the classification of financial assets under AASB 107 *Statement of Cash Flows* and AASB 9 *Financial Instruments*. The STL Select Mortgage Investment account, previously classified as cash and cash equivalents, has been reclassified as a current investment measurement at fair value through profit or loss. This reflects its withdrawal restrictions, unitised structure, and exposure to fair value changes.

## Notes to the financial statements (continued)

### Note 6. Change to comparative figures (continued)

The reclassification impacted comparatives as follows:

- Cash and cash equivalents decreased and investments increased by \$248,522 at 30 June 2024.
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

### Note 7. Revenue from contracts with customers

|                   | 2025<br>\$       | 2024<br>\$       |
|-------------------|------------------|------------------|
| Margin income     | 930,824          | 962,702          |
| Fee income        | 37,144           | 35,267           |
| Commission income | 208,253          | 218,803          |
|                   | <u>1,176,221</u> | <u>1,216,772</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:

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

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

#### Revenue calculation

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

#### 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 |
| <b>plus:</b>  | any deposit returns i.e. interest return applied by Bendigo Bank for a deposit  |
| <b>minus:</b> | 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.

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *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 8. Expenses

#### Employee benefits expense

|                                        | 2025<br>\$     | 2024<br>\$     |
|----------------------------------------|----------------|----------------|
| Wages and salaries                     | 343,749        | 322,774        |
| Non-cash benefits                      | -              | 2,837          |
| Superannuation contributions           | 42,238         | 36,518         |
| Expenses related to long service leave | 2,932          | 1,294          |
| Other expenses                         | 13,334         | 22,067         |
|                                        | <u>402,253</u> | <u>385,490</u> |

#### Depreciation and amortisation expense

|                                            | 2025<br>\$    | 2024<br>\$    |
|--------------------------------------------|---------------|---------------|
| <i>Depreciation of non-current assets</i>  |               |               |
| Plant and equipment                        | <u>17,388</u> | <u>8,965</u>  |
| <i>Depreciation of right-of-use assets</i> |               |               |
| Leased land and buildings                  | <u>7,583</u>  | <u>8,240</u>  |
| <i>Amortisation of intangible assets</i>   |               |               |
| Franchise fee                              | 2,336         | 2,286         |
| Franchise renewal process fee              | <u>11,682</u> | <u>11,497</u> |
|                                            | <u>14,018</u> | <u>13,783</u> |
|                                            | <u>38,989</u> | <u>30,988</u> |

## Notes to the financial statements (continued)

### Note 8. Expenses (continued)

#### Finance costs

|                                  | 2025<br>\$   | 2024<br>\$   |
|----------------------------------|--------------|--------------|
| Lease interest expense           | 5,354        | 7,316        |
| Unwinding of make good provision | 817          | 688          |
|                                  | <u>6,171</u> | <u>8,004</u> |

#### Charitable donations, sponsorships and grants

|                                                      | 2025<br>\$     | 2024<br>\$     |
|------------------------------------------------------|----------------|----------------|
| Direct donation, sponsorship and grant payments      | 29,212         | 51,587         |
| Contribution to the Community Enterprise Foundation™ | 515,031        | 508,250        |
|                                                      | <u>544,243</u> | <u>559,837</u> |

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

The funds contributed 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 in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

### Note 9. Income tax

|                                                    | 2025<br>\$   | 2024<br>\$    |
|----------------------------------------------------|--------------|---------------|
| <i>Income tax expense/(benefit)</i>                |              |               |
| Movement in deferred tax                           | (2,285)      | 26,151        |
| Under/over adjustment in respect for prior periods | -            | (1,074)       |
| Future income tax benefit attributable to losses   | 1,414        | (13,501)      |
| Aggregate income tax expense/(benefit)             | <u>(871)</u> | <u>11,576</u> |
| <i>Prima facie income tax reconciliation</i>       |              |               |
| Profit/(loss) before income tax (expense)/benefit  | (4,028)      | 44,146        |
| Tax at the statutory tax rate of 25%               | (1,007)      | 11,037        |
| Tax effect of:                                     |              |               |
| Non-deductible expenses                            | 136          | 1,613         |
|                                                    | (871)        | 12,650        |
| Under/over adjustment in respect for prior periods | -            | (1,074)       |
| Income tax expense/(benefit)                       | <u>(871)</u> | <u>11,576</u> |

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

|                                          | 2025<br>\$    | 2024<br>\$    |
|------------------------------------------|---------------|---------------|
| <i>Deferred tax assets/(liabilities)</i> |               |               |
| Tax losses                               | 12,088        | 13,501        |
| Property, plant and equipment            | (10,294)      | (14,358)      |
| Employee benefits                        | 8,938         | 8,640         |
| Provision for lease make good            | 2,966         | 2,761         |
| Accrued expenses                         | 980           | 1,050         |
| Income accruals                          | (1,612)       | (1,873)       |
| Lease liabilities                        | 16,482        | 20,852        |
| Right-of-use assets                      | (6,237)       | (8,133)       |
| Deferred tax asset                       | <u>23,311</u> | <u>22,440</u> |
|                                          | 2025<br>\$    | 2024<br>\$    |
| Income tax refund due                    | <u>602</u>    | <u>7,125</u>  |

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

### Note 10. Cash and cash equivalents

|                          | 2025<br>\$    | 2024<br>\$    |
|--------------------------|---------------|---------------|
| Cash at bank and on hand | <u>86,761</u> | <u>21,058</u> |

### Note 11. Trade and other receivables

|                   | 2025<br>\$     | 2024<br>\$     |
|-------------------|----------------|----------------|
| Trade receivables | <u>89,394</u>  | <u>101,272</u> |
| Other receivables | 25,517         | 31,109         |
| Accrued income    | 6,440          | 7,491          |
| Prepayments       | <u>3,641</u>   | <u>3,946</u>   |
|                   | <u>35,598</u>  | <u>42,546</u>  |
|                   | <u>124,992</u> | <u>143,818</u> |

## Notes to the financial statements (continued)

### Note 11. Trade and other receivables (continued)

|                                                                                     | 2025<br>\$      | 2024<br>\$      |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| <i>Financial assets at amortised cost classified as trade and other receivables</i> |                 |                 |
| Total trade and other receivables                                                   | 124,992         | 143,818         |
| less other receivables (net GST refundable from the ATO)                            | <u>(25,517)</u> | <u>(31,109)</u> |
|                                                                                     | <u>99,475</u>   | <u>112,709</u>  |

#### *Accounting policy for trade and other receivables*

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

### Note 12. Investments

|                       | 2025<br>\$     | 2024<br>\$     |
|-----------------------|----------------|----------------|
| <i>Current assets</i> |                |                |
| Investments account   | <u>198,522</u> | <u>248,522</u> |

### Note 13. Property, plant and equipment

|                                | 2025<br>\$       | 2024<br>\$       |
|--------------------------------|------------------|------------------|
| Plant and equipment - at cost  | 158,655          | 157,525          |
| Less: Accumulated depreciation | <u>(117,481)</u> | <u>(100,093)</u> |
|                                | <u>41,174</u>    | <u>57,432</u>    |

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

|                         | Plant and<br>equipment<br>\$ |
|-------------------------|------------------------------|
| Balance at 1 July 2023  | 8,269                        |
| Additions               | 58,128                       |
| Depreciation            | <u>(8,965)</u>               |
| Balance at 30 June 2024 | 57,432                       |
| Additions               | 1,130                        |
| Depreciation            | <u>(17,388)</u>              |
| Balance at 30 June 2025 | <u>41,174</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.

## Notes to the financial statements (continued)

### Note 13. Property, plant and equipment (continued)

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:

Plant and equipment 1 to 40 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.

### Note 14. Right-of-use assets

|                                   | 2025<br>\$    | 2024<br>\$    |
|-----------------------------------|---------------|---------------|
| Land and buildings - right-of-use | 81,353        | 81,353        |
| Less: Accumulated depreciation    | (56,404)      | (48,821)      |
|                                   | <u>24,949</u> | <u>32,532</u> |

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

|                           | Land and<br>buildings<br>\$ |
|---------------------------|-----------------------------|
| Balance at 1 July 2023    | 102,104                     |
| Remeasurement adjustments | (61,332)                    |
| Depreciation expense      | <u>(8,240)</u>              |
| Balance at 30 June 2024   | 32,532                      |
| Depreciation expense      | <u>(7,583)</u>              |
| Balance at 30 June 2025   | <u>24,949</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 17 for more information on lease arrangements.

## Notes to the financial statements (continued)

### Note 15. Intangible assets

|                                | 2025<br>\$           | 2024<br>\$           |
|--------------------------------|----------------------|----------------------|
| Franchise fee                  | 91,414               | 91,414               |
| Less: Accumulated amortisation | (83,708)             | (81,372)             |
|                                | <u>7,706</u>         | <u>10,042</u>        |
| Franchise renewal fee          | 113,507              | 113,507              |
| Less: Accumulated amortisation | (74,979)             | (63,297)             |
|                                | <u>38,528</u>        | <u>50,210</u>        |
|                                | <u><u>46,234</u></u> | <u><u>60,252</u></u> |

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

|                         | Franchise<br>fee<br>\$ | Franchise<br>renewal fee<br>\$ | Total<br>\$          |
|-------------------------|------------------------|--------------------------------|----------------------|
| Balance at 1 July 2023  | 645                    | 3,293                          | 3,938                |
| Additions               | 11,683                 | 58,414                         | 70,097               |
| Amortisation expense    | (2,286)                | (11,497)                       | (13,783)             |
| Balance at 30 June 2024 | 10,042                 | 50,210                         | 60,252               |
| Amortisation expense    | (2,336)                | (11,682)                       | (14,018)             |
| Balance at 30 June 2025 | <u><u>7,706</u></u>    | <u><u>38,528</u></u>           | <u><u>46,234</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) | October 2028               |
| Franchise renewal fee | Straight-line | Over the franchise term (5 years) | October 2028               |

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

### Note 16. Trade and other payables

|                             | 2025<br>\$           | 2024<br>\$           |
|-----------------------------|----------------------|----------------------|
| <i>Current liabilities</i>  |                      |                      |
| Trade payables              | 356                  | 505                  |
| Other payables and accruals | <u>27,278</u>        | <u>26,614</u>        |
|                             | <u><u>27,634</u></u> | <u><u>27,119</u></u> |

## Notes to the financial statements (continued)

### Note 17. Lease liabilities

|                                            | 2025<br>\$      | 2024<br>\$      |
|--------------------------------------------|-----------------|-----------------|
| <i>Current liabilities</i>                 |                 |                 |
| Land and buildings lease liabilities       | <u>22,021</u>   | <u>22,021</u>   |
| <i>Non-current liabilities</i>             |                 |                 |
| Land and buildings lease liabilities       | <u>43,906</u>   | <u>61,385</u>   |
| <i>Reconciliation of lease liabilities</i> |                 |                 |
|                                            | 2025<br>\$      | 2024<br>\$      |
| Opening balance                            | 83,406          | 212,639         |
| Remeasurement adjustments                  | -               | (113,716)       |
| Lease interest expense                     | 5,354           | 7,316           |
| Lease payments - total cash outflow        | <u>(22,833)</u> | <u>(22,833)</u> |
|                                            | <u>65,927</u>   | <u>83,406</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.

The company's lease portfolio includes:

| Lease           | Discount rate | Non-cancellable term | Renewal options available | Reasonably certain to exercise options | Lease term end date used in calculations |
|-----------------|---------------|----------------------|---------------------------|----------------------------------------|------------------------------------------|
| Charlton Branch | 7.40%         | 5 years              | N/A                       | N/A                                    | October 2028                             |

### Note 18. Issued capital

|                              | 2025<br>Shares | 2024<br>Shares | 2025<br>\$      | 2024<br>\$      |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Ordinary shares - fully paid | 407,458        | 407,458        | 407,458         | 407,458         |
| Less: Equity raising costs   | <u>-</u>       | <u>-</u>       | <u>(23,170)</u> | <u>(23,170)</u> |
|                              | <u>407,458</u> | <u>407,458</u> | <u>384,288</u>  | <u>384,288</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.

# Notes to the financial statements (continued)

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## **Note 18. 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 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

## Note 20. Dividends

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

|                                                             | 2025<br>\$ | 2024<br>\$ |
|-------------------------------------------------------------|------------|------------|
| Fully franked dividend of 7 cents per share (2024: 7 cents) | 28,522     | 28,522     |

### Franking credits

|                                                                                    | 2025<br>\$ | 2024<br>\$ |
|------------------------------------------------------------------------------------|------------|------------|
| Franking account balance at the beginning of the financial year                    | 120,541    | 124,842    |
| Franking credits (debits) arising from income taxes paid (refunded)                | (6,523)    | 5,206      |
| Franking debits from the payment of franked distributions                          | (9,507)    | (9,507)    |
|                                                                                    | 104,511    | 120,541    |
| <i>Franking transactions that will arise subsequent to the financial year end:</i> |            |            |
| Balance at the end of the financial year                                           | 104,511    | 120,541    |
| Franking credits (debits) that will arise from payment (refund) of income tax      | (602)      | (7,125)    |
| Franking credits available for future reporting periods                            | 103,909    | 113,416    |

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

### Accounting policy for dividends

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

## Note 21. Financial risk management

### Financial risk management objectives

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.

## Notes to the financial statements (continued)

### Note 21. Financial risk management (continued)

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

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

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

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

|                                           | 2025<br>\$     | 2024<br>\$     |
|-------------------------------------------|----------------|----------------|
| <b>Financial assets at amortised cost</b> |                |                |
| Trade and other receivables (note 11)     | 99,475         | 112,709        |
| Cash and cash equivalents (note 10)       | 86,761         | 21,058         |
| Investments (note 12)                     | 198,522        | 248,522        |
|                                           | <u>384,758</u> | <u>382,289</u> |
| <b>Financial liabilities</b>              |                |                |
| Trade and other payables (note 16)        | 27,634         | 27,119         |
| Lease liabilities (note 17)               | 65,927         | 83,406         |
|                                           | <u>93,561</u>  | <u>110,525</u> |

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

#### *Accounting policy for financial instruments*

##### **Financial assets**

###### *Classification*

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents 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 21. Financial risk management (continued)

### 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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$86,761 and investments of \$198,522 at 30 June 2025 (2024: \$21,058 and \$248,522).

#### Price risk

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

#### Liquidity risk

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

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

|                          | 1 year or less<br>\$ | Between 1<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
|--------------------------|----------------------|--------------------------------|--------------------|----------------------------------------------|
| <b>2025</b>              |                      |                                |                    |                                              |
| Trade and other payables | 27,634               | -                              | -                  | 27,634                                       |
| Lease liabilities        | 22,833               | 51,057                         | -                  | 73,890                                       |
| Total non-derivatives    | 50,467               | 51,057                         | -                  | 101,524                                      |
|                          |                      |                                |                    |                                              |
|                          | 1 year or less<br>\$ | Between 1<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
| <b>2024</b>              |                      |                                |                    |                                              |
| Trade and other payables | 27,119               | -                              | -                  | 27,119                                       |
| Lease liabilities        | 22,833               | 73,889                         | -                  | 96,722                                       |
| Total non-derivatives    | 49,952               | 73,889                         | -                  | 123,841                                      |

## Note 22. Key management personnel disclosures

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

Winifred Maude Scott  
Matthew Simon Peck  
Matthew William McGurk  
Neville Spruhan-Cloak  
Elizabeth Anne Riley

Kerrie Louise Mulholland  
Dale Trevor Watts  
Victoria Gentle  
Margaret Therese McGrath  
Rebecca Postlethwaite

## Notes to the financial statements (continued)

### Note 22. Key management personnel disclosures (continued)

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 23. Related party transactions

#### *Key management personnel*

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

#### *Receivable from and payable to related parties*

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

#### *Terms and conditions of transactions with related parties*

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

#### *Transactions with related parties*

The following transactions occurred with related parties:

|                                                                                                                                 | 2025<br>\$ | 2024<br>\$ |
|---------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| A director provided secretarial services during the period. The amount paid exclusive of GST was:                               | 4,800      | 4,800      |
| Charlton Football Club received grants and sponsorship during the year. A director is on the committee.                         | 13,428     | 55,909     |
| Charlton Courthouse Gallery received \$3,700 sponsorship during the prior year. A director is the Chair of the gallery.         | -          | 3,700      |
| Charlton A&P Society received \$3,500 sponsorship during the prior year. A director's husband is vice-president of the society. | -          | 3,500      |
| Charlton Netball Club received grants and sponsorship during the year. A director is on the committee of the club.              | 2,500      | 500        |
| Charlton College Parents Club received \$200 sponsorship during the year. A director is a member of the club.                   | -          | 200        |
| Charlton Golf Club received grants and sponsorship during the year. A director is on the committee of the club.                 | 4,000      | -          |
| Charlton Neighbourhood House received grants during the year. A director is on the board.                                       | 10,878     | -          |
| Charlton Community Gym received grants and sponsorship during the year                                                          | 17,354     | -          |

### Note 24. Remuneration of auditors

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

|                                             | 2025<br>\$    | 2024<br>\$    |
|---------------------------------------------|---------------|---------------|
| <i>Audit services</i>                       |               |               |
| Audit or review of the financial statements | 7,930         | 6,650         |
| <i>Other services</i>                       |               |               |
| Taxation advice and tax compliance services | 705           | 1,714         |
| General advisory services                   | 3,740         | 3,120         |
|                                             | 4,445         | 4,834         |
|                                             | <u>12,375</u> | <u>11,484</u> |

## Notes to the financial statements (continued)

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

|                                                               | 2025<br>\$    | 2024<br>\$    |
|---------------------------------------------------------------|---------------|---------------|
| Profit/(loss) after income tax (expense)/benefit for the year | (3,157)       | 32,570        |
| Adjustments for:                                              |               |               |
| Depreciation and amortisation                                 | 38,989        | 30,988        |
| Lease liabilities interest                                    | 5,354         | 7,316         |
| Change in operating assets and liabilities:                   |               |               |
| Decrease/(increase) in trade and other receivables            | 18,826        | (761)         |
| Decrease/(increase) in income tax refund due                  | 6,523         | (6,280)       |
| Decrease/(increase) in deferred tax assets                    | (871)         | 12,650        |
| Increase/(decrease) in trade and other payables               | 515           | (28,952)      |
| Increase in employee benefits                                 | 1,192         | 1,076         |
| Increase in other provisions                                  | 817           | 687           |
| Net cash provided by operating activities                     | <u>68,188</u> | <u>49,294</u> |

### Note 26. Earnings per share

|                                                                                           | 2025<br>\$     | 2024<br>\$     |
|-------------------------------------------------------------------------------------------|----------------|----------------|
| Profit/(loss) after income tax                                                            | <u>(3,157)</u> | <u>32,570</u>  |
|                                                                                           | <b>Number</b>  | <b>Number</b>  |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>407,458</u> | <u>407,458</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>407,458</u> | <u>407,458</u> |
|                                                                                           | <b>Cents</b>   | <b>Cents</b>   |
| Basic earnings per share                                                                  | (0.77)         | 7.99           |
| Diluted earnings per share                                                                | (0.77)         | 7.99           |

#### Accounting policy for earnings per share

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

### Note 27. Commitments

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

### Note 28. Contingencies

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

### Note 29. Events after the reporting period

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

# Directors' declaration

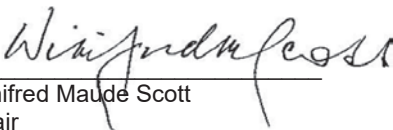
**30 June 2025**

In the directors' opinion:

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

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

On behalf of the directors

  
Winifred Maude Scott  
Chair

1 September 2025

# Independent audit report



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

## Independent auditor's report to the Directors of North Central Financial Services Limited Report on the audit of the financial report

### Our opinion

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

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

### What we have audited

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

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

### Basis for opinion

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

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

### Other information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

## Independence

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

## Responsibilities of the directors for the financial report

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

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

## Auditor's responsibilities for the audit of the financial report

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 1 September 2025

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

**Adrian Downing**  
Lead Auditor

Community Bank · Charlton & District  
39-41 High Street,  
Charlton VIC 3525  
Phone: 03 5491 2322  
Email: [charlton.mailbox@bendigoadelaide.com.au](mailto:charlton.mailbox@bendigoadelaide.com.au)  
Web: [www.bendigobank.com.au/charlton](http://www.bendigobank.com.au/charlton)

Boort Agency  
108-112 Godfrey Street,  
Boort VIC 3537  
Phone: 03 5455 2179 Fax: 03 5455 2525

Wycheproof Agency  
314 Broadway,  
Wycheproof VIC 3527  
Phone: 03 5493 7413 Fax: 03 5493 7413

Franchisee: North Central Financial Services Limited  
ABN: 90 140 265 394  
39-41 High Street,  
Charlton VIC 3525  
Phone: 03 5491 2322 Fax: 03 5491 2253  
Email: [charlton.mailbox@bendigoadelaide.com.au](mailto:charlton.mailbox@bendigoadelaide.com.au)



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