



Community Bank
Rockingham

 **Bendigo Bank**

Annual Report 2025

Rockingham Community
Financial Services Limited

ABN 69 102 349 655

ANNUAL REPORT 2025

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inc Sponsorships & Grants
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Photo: Rockingham Charity Gala - Part sponsored by the RCFSL

Accountants & Audit
AFS Bendigo

Directors - Board

Donna Bates (Director - Chair)
Sue Hasey (Director - Deputy Chair)
Stephenie Fielding (Director -Company Secretary)
Nino Sekyere-Boakye (Director - Treasurer)
Ron Pease (Director)

Legacy Advisory Team

Len Sheedy
Barbara Holland
Brad Dean

100%
LOCAL

Annual Report
Created
Produced
Printed in
Rockingham

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report online at:



Chairperson's Report

On behalf of the Rockingham Community Financial Services Limited (RCFSL) Board, I am please to share the 2025 Annual Report. Firstly, I'd like to take this opportunity to thank our volunteer Board, Sue Hasey, Steph Fielding and Treasurer Nino Sekyere-Boake, our previous Branch Manager Gary Condon, new Branch Manager Tina Birmingham and our high performing branch staff for a great year. We said goodbye to our Treasurer, Mr John Wootton, in September 2024, and we thank him for his contributions over the last couple of years and welcome back Mr Ron Pease, whose continuing contributions have been greatly appreciated. We also welcomed Mr Dean Klesser, who is a Director-elect.

FINANCIAL PERFORMANCE

The last 7 years to FY2025

Between FY2019 and FY2025, Rockingham Community Financial Services Ltd (RCFSL) transformed from a modestly profitable, debt-carrying community bank franchise into a lean, debt-free, and resilient enterprise. The seven-year trajectory reflects strategic restructuring, COVID-era resilience, stable leadership team and alignment with Bendigo Bank's evolving revenue model.

In FY25, we recorded a solid and resilient performance amid a challenging national banking environment marked by compressed interest margins, rising compliance costs, whilst delivering lending and deposit growth. Expenses were contained near \$700K despite multi-year inflationary pressures.

The business has maintained significant liquidity, a robust equity position, and continued local community grants and sponsorships of \$94,037 ex-GST, consistent with our charter being a community-owned financial services entity that reinvests back into our community. Our branch and staff performed well across the network taking out multiple awards and nominations for the RKCC Business Awards which was a fantastic result.

Outlook (FY2026 and Beyond)

- **RBA Rate Easing (mid-2026 forecast):** Expected Slight revenue recovery. We are monitoring this situation closely.
- **Community Bank Model Reinvention Project:** Providing our consultation input into this project.
- **Branch Infrastructure Investment: Required Digital upgrades needed to remain competitive.** Bendigo and our company are investing in these
- **Community Engagement:** Continuing to expand our footprint is strengthening our relationships with our community partners.

Over the last seven years, RCFSL has demonstrated resilience through reform, pandemic disruptions, and market shifts. The company's zero-debt status, liquidity strength, and governance continuity position us well for sustainable, community-focused banking in Western Australia. The main challenge ahead lies in balancing profitability with our purpose under Bendigo's evolving franchise model. We are working closely with BEN in focus groups, Chair's meetings and Community Bank Network consultation to ensure our input is reflected in strategic planning and implementation, for us to remain profitable and highly competitive into the future whilst managing in the challenging financial landscape and ever-changing technology and cybersecurity banking environment.

Finally, we thank you our shareholders and customers for supporting us and our collective mission to bank local to support our community. We look forward to a continued prosperous FY26.

Yours sincerely



DONNA BATES
CHAIRPERSON - RCFSL



RCFSL Chairperson
Donna Bates FGIA MAICD BBus



Our new branch signage
Secret Harbour Shopping Centre



RKCC Business After Hours
Bendigo Community Bank Rockingham
and the City of Rockingham.

From left to right:
Michael Parker (CEO - City of Rockingham), Sue Hasey (RKCC - CEO & Deputy Chair RCFSL), Lorna Buchan (then Deputy, now Mayor of City of Rockingham), Stephenie Fielding (Company Secretary RKCC & RCFSL), Donna Bates (then Vice-President RKCC and Chair - RCFSL) and Rob McGavin (Chair - RKCC)

Sponsorships & Contributions

COMMUNITY GROUP	BEING FOR
Various Schools	Len Sheedy Award
Secret Harbour Surf Life Saving	Grant to upgrade the Trainers Bench in the Wet Training Area
Endeavour Primary School	Donation to Year 6 Graduation
Secret Harbour Volunteer Fire Brigade	Donation to provide services to the region
Endeavour Primary School	Donation towards breakfast club
Salvation Army Red Shield Appeal	Grant to provide 16,500 meals to homeless in Rockingham
RKCC	Sponsorship for the 2024 RKCC Chamber Awards
Rockingham Sunset Markets	Inaugural Sponsors of the Rockingham Sunset Markets (8 Events)
Aussie Bushrangers	Sponsorship of the NRLWA Harmony 9's 2024
The Cruising Yacht Club	Junior Sailing Corporate Sponsorship
Partnerships with Purpose <i>Auspicing</i> for the 2025 Catalpa Festival	Major Sponsor of the Catalpa Sunset Community Concert
Rockingham Football Club	2025 Club Sponsorship - Football
Lil Lynx Basketball Club	Team Uniforms with BB Rockingham Logo
RKCC 2025 Awards Sponsorship	2025 RKCC Awards Sponsorship - Small Business Category
Rockingham Pipe Band	Support to the Rockingham Pipe Band 2025
Cycling Without Age	Organisational sponsorship to support servicing of bikes and other items

Please note: This table shows the majority of grants & sponsorships to 30 June 2025. There are other donations, grants-sponsorships which are not listed.

TOTAL GRANTS & SPONSORSHIPS FY25 EX-GST \$94,037

Manager's Report

This year has been one of strong product growth for Community Bank Rockingham, exceeding our targets with increase in both deposits (284%) and lending (115% above target). We experienced consistent customer growth up 4.3%, coupled with an average of 2.5 products per customer (significantly higher than the group average of 1.6), highlights our exceptional customer loyalty and satisfaction. This is reflected in the 94% customer satisfaction rating us, 10 out of 10 for service.

We closed our book at the end of the financial year having grown over 15.86% year-on-year, a great outcome. Our home loan book grew by 11.24% and strong deposit holdings with growth of 20.28%, which was a solid performance.

Community Bank Rockingham's Branch Assurance Review confirmed full compliance with all regulatory requirements and internal controls, reinforcing our commitment to sound risk management practices essential for ongoing viability of the business.

Our success is a direct result of the exceptional efforts of our team. Four of our people were recognised by Bendigo's People Awards for their contributions exemplify our core values, Be Better Together and Move Fast and Make a Difference and Find the Right Way. And as a team Rockingham branch emerged as the winner of Share in the Merry, showcasing our collaborative spirit and festive engagement.

We're deeply committed to supporting our local community and this year, we proudly served as the naming sponsor for several significant events, the Rockingham Sunset Markets (supporting 8 markets), donating \$21,000 in total, and demonstrating our support for local cultural community celebrations \$10,000 to the Catalpa Sunset Community Concert. We continued our long-standing support for the Salvation Army, donating \$20,000 along with many other local school & sporting clubs, with sponsorship totalling over \$94,037 ex-GST, highlighting our commitment to fostering a thriving community.

A highlight for Community Bank Rockingham was being nominated for Best SME Business of the Year (August 2024) at the Rockingham Kwinana Chamber Commerce Awards. This nomination is a significant achievement, reflecting our commitment to excellence and community impact.

Our strategic initiatives to grow the business centre around enhancing customer experience, making it easier for customers to bank with us, driving growth by adapting to the fast pace of technological changes, and strengthening community connections.

Bendigo Groups strategy is strong investment in digital technologies to improve efficiency and customer service, expanding their product offerings to cater to diverse customer needs, and a commitment to responsible lending and environmental sustainability.

Looking forward we remain committed to providing exceptional service and supporting the growth and prosperity of the Rockingham community. We are confident that with our dedicated team and strategic focus, we will continue to thrive. I would also like to take this time to thank our volunteer board members for their countless hours of support, as they have been instrumental in our success. Finally, I urge our shareholders, customers, and the local community to continue to support us, as doing so will only increase the strength of Rockingham Community Bank and enable us to continue to give back when it matters.

Tina Burningham

TINA BURNINGHAM
BRANCH MANAGER



Rockingham Sunset Markets



2025 Catalpa Festival



2025 Catalpa Festival



2025 Catalpa Festival Junior
Colouring Competition

Bendigo Bank Report



Community Bank Report 2025 BEN Message

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

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

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

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

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

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

Justine Minne
Head of Community Banking, Bendigo Bank

Rockingham Community Financial Services Limited

ABN 69 102 349 655

Financial Report - 30 June 2025

Rockingham Community Financial Services Limited
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: Donna Leanne Bates
Title: Non-executive director
Experience and expertise: Donna has worked in Senior Executive for several Corporate positions over the last 28 years, and currently owns and operates her own Strategic Planning Consultancy. She is a Fellow of the Governance Institute of Australia, and member of the Australian Institute of Company Directors. She is the Chairperson for the Not-for-Profit, Partnerships with Purpose WA, and until September 2024 was the Vice-President of the Rockingham Kwinana Chamber of Commerce. She is currently studying her Master's of Business Administration and holds a Bachelor of Business, and several other formal qualifications pertaining to her industry. She is also an Accredited Leadership Executive Coach for the John Maxwell Group, and a 20+ year serving member of the Australian Defence Force (Army Reserves). Donna volunteers her time to a number of charities and organisations across Australia.

Special responsibilities: Chair and Governance Committee

Name: Stephenie Fielding
Title: Non-executive director
Experience and expertise: Stephenie has over 15 years of experience working locally within the Disability Employment Services sector. Stephenie's qualifications include affiliation with the Governance Institute of Australia and a Certificate IV in Disability. Since 2023, Stephenie have served as Company Secretary for the Rockingham Kwinana Chamber of Commerce, having previously been a General Board Member since August 2020. Stephenie also serves on the Board of the Rockingham Senior High School Education Support Centre and has volunteered as a Community Advocate on the City of Rockingham Disability Access and Inclusion Committee for more than 10 years.

Special responsibilities: Company Secretary

Name: Susan Jayne Hasey
Title: Non-executive director
Experience and expertise: Susan has 28 year's experience at Wesfarmers Chemicals, Energy and Fertilisers (WesCEF), 3 years Operations Manager at Rockingham Kwinana Chamber of Commerce, Board Member at three Arts & Culture not for profit companies (Maverick Theatre Productions, Old Mill Theatre and Rockingham Entertainers Inc.) Susan has qualifications in Business Management, IT & Project Management.

Special responsibilities: Deputy Chair, Events Committee

Name: Ronald William Pease
Title: Non-executive director (*appointed 30 September 2024*)
Experience and expertise: Now retired, Ronald is a former Horticulturist and Facilities Manager at Murdoch University. He also dedicated 48 years of service to the Air Force Reserve, beginning with 37 years in an aircraft technical trade specializing in corrosion and surface coatings, followed by 11 years working in Discipline, Welfare, and Recruiting. He holds a Diploma in Horticulture, a Diploma in Business, and a Diploma in Air Conditioning and Refrigeration. Ronald is a former Elected Councillor for the City of Rockingham, where he contributed to numerous Committees and Boards. He continues to serve his community as a member of the Active Ageing Committee and as Chair of the Marine Infrastructure Committee. In addition, he works locally as a Justice of the Peace, supporting both the local Courts and residents from his home.

Rockingham Community Financial Services Limited
Directors' report
30 June 2025

Name: Nino Sekyere-Boakye
Title: Non-executive director
Experience and expertise: Nino is a Researcher/Migration Agent. Marketing academic, marketing consultant, marketing researcher. Past lecturer in consumer behaviour and strategic marketing planning. B.A. (Hons), M.A. (Professional Marketing), Diploma in Migration Law. Nino is a Fellow of the Australian Institute of Marketing, Migration Consultant and Market Researcher.
Special responsibilities: Marketing Committee

Name: John Wootton
Title: Non-executive director (resigned 30 September 2024)
Experience and expertise: Prior to retirement in 2021, John was the General Manager at Morgan Advanced Materials Furnace Industries for 9 years, responsible for Manufacturing, Financial Performance, Global sales and Asia development. John has also held several management positions including 15 years as CEO of his own company, Operations Manager at Schutz DSL. and Manager at Craig Mostyn Company. John previously worked at Murdoch University Business school, lecturing in Management and Supply Chain management to both under and post graduate students. John holds an MBA from Murdoch University and is a Graduate of the Institute of Company Directors. John is the current president of the Australian Foundry Institute WA Branch.
Special responsibilities: Treasurer

Company secretary
The company secretary is Stephenie Fielding. Stephanie was appointed to the position of company secretary on 26 February 2024.

Principal activity
The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).
There have been no significant changes in the nature of this activity during the financial year.

Review of operations
The profit for the company after providing for income tax amounted to \$378,161 (2024: \$368,738).
Operations have continued to perform in line with expectations.

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

	2025 \$	2024 \$
Fully franked dividend of nil (2024: 5 cents)	-	35,151

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.

Rockingham Community Financial Services Limited

Directors' report

30 June 2025

Environmental regulation

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

Meetings of directors

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

	Board Eligible	Board Attended
Nino Sekyere-Boakye	12	12
Donna Leanne Bates	12	12
Stephenie Fielding	12	9
Susan Jayne Hasey	12	9
Ronald William Pease	9	8
John Wootton	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 the start of the year	Changes	Balance at the end of the year
Nino Sekyere-Boakye	-	-	-
Donna Leanne Bates	-	-	-
Stephenie Fielding	-	-	-
Susan Jayne Hasey	-	-	-
Ronald William Pease	-	-	-
John Wootton	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Rockingham Community Financial Services Limited
Directors' report
30 June 2025

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 22 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 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



Donna Leanne Bates
Chair

3 September 2025



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

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

As lead auditor for the audit of Rockingham Community 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 03 September 2025

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

Adrian Downing
Lead Auditor

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,333,686	1,256,802
Finance revenue		8,355	4,376
Total revenue		<u>1,342,041</u>	<u>1,261,178</u>
Employee benefits expense	7	(483,423)	(454,704)
Advertising and marketing costs		(6,171)	(1,454)
Occupancy and associated costs		(68,333)	(25,137)
System costs		(32,520)	(27,973)
Depreciation and amortisation expense	7	(64,506)	(108,459)
Finance costs	7	(3,258)	(6,025)
General administration expenses		(85,579)	(80,234)
Total expenses before community contributions and income tax expense		<u>(743,790)</u>	<u>(703,986)</u>
Profit before community contributions and income tax expense		598,251	557,192
Charitable donations and sponsorships expense		<u>(94,037)</u>	<u>(67,568)</u>
Profit before income tax expense		504,214	489,624
Income tax expense	8	<u>(126,053)</u>	<u>(120,886)</u>
Profit after income tax expense for the year		378,161	368,738
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>378,161</u></u>	<u><u>368,738</u></u>
		Cents	Cents
Basic earnings per share	24	53.79	52.45
Diluted earnings per share	24	53.79	52.45

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

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,336,220	1,108,686
Trade and other receivables	10	111,160	119,605
Current tax assets	8	18,458	-
Total current assets		<u>1,465,838</u>	<u>1,228,291</u>
Non-current assets			
Property, plant and equipment	11	10,403	6,475
Right-of-use assets	12	-	54,036
Intangible assets	13	63,069	-
Deferred tax assets	8	14,335	20,012
Total non-current assets		<u>87,807</u>	<u>80,523</u>
Total assets		<u>1,553,645</u>	<u>1,308,814</u>
Liabilities			
Current liabilities			
Trade and other payables	14	50,599	83,817
Lease liabilities	15	-	60,295
Current tax liabilities	8	-	71,906
Employee benefits		13,308	25,051
Total current liabilities		<u>63,907</u>	<u>241,069</u>
Non-current liabilities			
Trade and other payables	14	46,703	-
Employee benefits		-	4,008
Provisions		50,000	48,863
Total non-current liabilities		<u>96,703</u>	<u>52,871</u>
Total liabilities		<u>160,610</u>	<u>293,940</u>
Net assets		<u>1,393,035</u>	<u>1,014,874</u>
Equity			
Issued capital	16	703,020	703,020
Retained earnings		690,015	311,854
Total equity		<u>1,393,035</u>	<u>1,014,874</u>

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

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

		Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		<u>703,020</u>	<u>(21,733)</u>	<u>681,287</u>
Profit after income tax expense		-	368,738	368,738
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		<u>-</u>	<u>368,738</u>	<u>368,738</u>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	18	<u>-</u>	<u>(35,151)</u>	<u>(35,151)</u>
Balance at 30 June 2024		<u><u>703,020</u></u>	<u><u>311,854</u></u>	<u><u>1,014,874</u></u>
 Balance at 1 July 2024		<u>703,020</u>	<u>311,854</u>	<u>1,014,874</u>
Profit after income tax expense		-	378,161	378,161
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		<u>-</u>	<u>378,161</u>	<u>378,161</u>
Balance at 30 June 2025		<u><u>703,020</u></u>	<u><u>690,015</u></u>	<u><u>1,393,035</u></u>

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

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

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,473,021	1,402,268
Payments to suppliers and employees (inclusive of GST)		(906,584)	(778,918)
Interest received		8,245	4,376
Interest and other finance costs paid		(1,522)	-
Income taxes paid		(263,875)	(65,901)
Net cash provided by operating activities	23	<u>309,285</u>	<u>561,825</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,704)	(2,782)
Payments for intangible assets		<u>(14,153)</u>	<u>(13,618)</u>
Net cash used in investing activities		<u>(20,857)</u>	<u>(16,400)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(599)	(4,141)
Dividends paid	18	-	(35,151)
Repayment of lease liabilities		<u>(60,295)</u>	<u>(96,902)</u>
Net cash used in financing activities		<u>(60,894)</u>	<u>(136,194)</u>
Net increase in cash and cash equivalents		227,534	409,231
Cash and cash equivalents at the beginning of the financial year		<u>1,108,686</u>	<u>699,455</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,336,220</u></u>	<u><u>1,108,686</u></u>

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

Rockingham Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Rockingham Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 132, 420 Secret Harbour Boulevard, Secret Harbour WA 6173.

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

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of non-financial assets

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

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

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

Rockingham Community Financial Services Limited

Notes to the financial statements

30 June 2025

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

Lease term

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

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

Rockingham Community Financial Services Limited
Notes to the financial statements
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Note 4. Critical accounting judgements, estimates and assumptions (continued)

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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 December 2029.

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.

Rockingham Community Financial Services Limited
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Note 6. Revenue from contracts with customers

	2025	2024
	\$	\$
Margin income	1,208,712	1,135,277
Fee income	67,090	70,805
Commission income	57,884	50,720
	<u>1,333,686</u>	<u>1,256,802</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Rockingham Community Financial Services Limited
Notes to the financial statements
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Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	430,174	390,620
Superannuation contributions	48,561	42,036
Expenses related to long service leave	(11,227)	1,412
Other expenses	15,915	20,636
	<u>483,423</u>	<u>454,704</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	5	13
Plant and equipment	2,770	3,390
Low Value Pool	1	2
	<u>2,776</u>	<u>3,405</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>54,036</u>	<u>91,986</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	1,282	2,178
Franchise renewal fee	6,412	10,890
	<u>7,694</u>	<u>13,068</u>
	<u>64,506</u>	<u>108,459</u>

Rockingham Community Financial Services Limited
Notes to the financial statements
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Note 7. Expenses (continued)

Finance costs

	2025	2024
	\$	\$
Lease interest expense	599	4,141
Unwinding of make-good provision	1,137	1,884
Other	1,522	-
	<u>3,258</u>	<u>6,025</u>

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	120,376	124,084
Movement in deferred tax	5,677	(1,252)
Under/over provision in respect to prior years	-	(1,946)
	<u>126,053</u>	<u>120,886</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	504,214	489,624
Tax at the statutory tax rate of 25%	126,054	122,406
Tax effect of:		
Non-deductible expenses	(1)	426
	126,053	122,832
Under/over provision in respect to prior years	-	(1,946)
	<u>126,053</u>	<u>120,886</u>

	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	3,327	7,265
Provision for lease make good	12,500	12,216
Accrued expenses	1,225	674
Lease liabilities	-	15,074
Income accruals	(116)	(89)
Right-of-use assets	-	(13,509)
Property, plant and equipment	(2,601)	(1,619)
	<u>14,335</u>	<u>20,012</u>
Deferred tax asset		
	<u>18,458</u>	<u>-</u>

Rockingham Community Financial Services Limited
Notes to the financial statements
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Note 8. Income tax (continued)

	2025 \$	2024 \$
Provision for income tax	-	71,906

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash on hand	200	200
Cash at bank	1,336,020	1,108,486
	<u>1,336,220</u>	<u>1,108,686</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	103,713	109,684
Accrued income	466	356
Prepayments	6,981	9,565
	<u>7,447</u>	<u>9,921</u>
	<u>111,160</u>	<u>119,605</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.

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Notes to the financial statements
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Note 11. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	204,970	204,970
Less: Accumulated depreciation	<u>(204,958)</u>	<u>(204,953)</u>
	12	17
Plant and equipment - at cost	61,873	55,169
Less: Accumulated depreciation	<u>(51,484)</u>	<u>(48,714)</u>
	10,389	6,455
Low value pool - at cost	115	115
Less: Accumulated depreciation	<u>(113)</u>	<u>(112)</u>
	2	3
	<u><u>10,403</u></u>	<u><u>6,475</u></u>

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

	Leasehold improvements \$	Plant and equipment \$	Low value pool \$	Total \$
Balance at 1 July 2023	30	7,063	5	7,098
Additions	-	2,782	-	2,782
Depreciation	<u>(13)</u>	<u>(3,390)</u>	<u>(2)</u>	<u>(3,405)</u>
Balance at 30 June 2024	17	6,455	3	6,475
Additions	-	6,704	-	6,704
Depreciation	<u>(5)</u>	<u>(2,770)</u>	<u>(1)</u>	<u>(2,776)</u>
Balance at 30 June 2025	<u><u>12</u></u>	<u><u>10,389</u></u>	<u><u>2</u></u>	<u><u>10,403</u></u>

Accounting policy for property, plant and equipment

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

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:

Leasehold improvements	3 to 5 years
Plant and equipment	2 to 40 years

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

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

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

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Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	-	515,407
Less: Accumulated depreciation	-	(461,371)
	-	54,036

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

	Land and buildings \$
Balance at 1 July 2023	144,657
Remeasurement adjustments	1,365
Depreciation expense	(91,986)
Balance at 30 June 2024	54,036
Depreciation expense	(54,036)
Balance at 30 June 2025	-

Accounting policy for right-of-use assets

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

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

Refer to note 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025 \$	2024 \$
Franchise fee	91,481	79,687
Less: Accumulated amortisation	(80,969)	(79,687)
	10,512	-
Franchise renewal fee	357,403	298,434
Less: Accumulated amortisation	(304,846)	(298,434)
	52,557	-
	63,069	-

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Note 13. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	2,178	10,890	13,068
Amortisation expense	(2,178)	(10,890)	(13,068)
Balance at 30 June 2024	-	-	-
Additions	11,794	58,969	70,763
Amortisation expense	(1,282)	(6,412)	(7,694)
Balance at 30 June 2025	<u>10,512</u>	<u>52,557</u>	<u>63,069</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)	December 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2029

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

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	4,252	2,470
Other payables and accruals	<u>46,347</u>	<u>81,347</u>
	<u>50,599</u>	<u>83,817</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>46,703</u>	<u>-</u>
	<u>97,302</u>	<u>83,817</u>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	97,302	83,817
less other payables and accruals (net GST payable to the ATO)	<u>(139)</u>	<u>(7,778)</u>
	<u>97,163</u>	<u>76,039</u>

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Note 15. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	-	60,295
	<u>-</u>	<u>60,295</u>
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	60,295	156,617
Remeasurement adjustments	-	580
Lease interest expense	599	4,141
Lease payments - total cash outflow	(60,894)	(101,043)
	<u>-</u>	<u>60,295</u>

During the financial year, the lease for the Secret Harbour Branch ended in February 2025. Following the expiry of the lease term, the arrangement transitioned to a month-to-month basis. In accordance with AASB 16 Leases, this arrangement qualifies as a short-term lease, and lease payments have been recognised as an expense on a straight-line basis over the remaining term. No lease liability or right-of-use asset has been recognised for this arrangement.

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
Secret Harbour Branch	4.00%	8 years	Nil	N/A	February 2025

Note 16. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	703,020	703,020	703,020	703,020

Accounting policy for issued capital

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

Rights attached to issued capital

Rockingham Community Financial Services Limited

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Note 16. Issued capital (continued)

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 385. As at the date of this report, the company had 429 shareholders (2024: 428 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

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Note 16. Issued capital (continued)

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 17. 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 18. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Fully franked dividend of nil (2024: 5 cents)	-	35,151

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	90,278	36,094
Franking credits (debits) arising from income taxes paid (refunded)	263,875	65,901
Franking debits from the payment of franked distributions	-	(11,717)
	<u>354,153</u>	<u>90,278</u>

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

Balance at the end of the financial year	354,153	90,278
Franking credits (debits) that will arise from payment (refund) of income tax	(18,458)	71,906
Franking credits available for future reporting periods	<u>335,695</u>	<u>162,184</u>

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

Accounting policy for dividends

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

Rockingham Community Financial Services Limited
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Note 19. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents and lease liabilities. The company does not have any derivatives.

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

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	104,179	110,040
Cash and cash equivalents (note 9)	1,336,220	1,108,686
	<u>1,440,399</u>	<u>1,218,726</u>
Financial liabilities		
Trade and other payables (note 14)	97,163	76,039
Lease liabilities (note 15)	-	60,295
	<u>97,163</u>	<u>136,334</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 and cash and cash equivalents

Derecognition

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

Rockingham Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 19. Financial risk management (continued)

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$1,336,220 at 30 June 2025 (2024: \$1,108,686).

Price risk

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

Liquidity risk

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

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

	1 year or less	Between 1	Over 5 years	Remaining
	\$	and 5 years		contractual
		\$	\$	maturities
2025				\$
Trade and other payables	50,460	46,703	-	97,163
Total non-derivatives	50,460	46,703	-	97,163
	1 year or less	Between 1	Over 5 years	Remaining
	\$	and 5 years		contractual
		\$	\$	maturities
2024				\$
Trade and other payables	76,039	-	-	76,039
Lease liabilities	60,893	-	-	60,893
Total non-derivatives	136,932	-	-	136,932

Rockingham Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 20. Key management personnel disclosures

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

Nino Sekyere-Boakye
Stephenie Fielding
Susan Jayne Hasey

Donna Leanne Bates
Ronald William Pease
John Wootton

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 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company donated to Partnerships with Purpose during the period. The total benefit received was:	-	6,200
RCFS has entered into an office space rental with The Sailing Yacht Club. A director of RCFSL is also a member of the Sailing Yacht Club. The total transactions for the period was:	9,091	-
RCFS sponsored Business Awards hosted by Rockingham Kwinana Chamber of Commerce. The total sponsorship for the year was:	5,500	-

Note 22. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	1,967	700
General advisory services	3,305	3,760
Share registry services	8,390	7,072
	13,662	11,532
	21,592	18,182

Rockingham Community Financial Services Limited
Notes to the financial statements
30 June 2025

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	2025	2024
	\$	\$
Profit after income tax expense for the year	378,161	368,738
Adjustments for:		
Depreciation and amortisation	64,506	108,459
Lease liabilities interest	599	4,141
Change in operating assets and liabilities:		
Decrease in trade and other receivables	8,445	19,875
Increase in income tax refund due	(18,458)	-
Decrease/(increase) in deferred tax assets	5,677	(1,251)
Increase/(decrease) in trade and other payables	(43,125)	47,765
Increase/(decrease) in provision for income tax	(71,906)	4,059
Increase/(decrease) in employee benefits	(15,751)	8,155
Increase in other provisions	1,137	1,884
Net cash provided by operating activities	<u>309,285</u>	<u>561,825</u>

Note 24. Earnings per share

	2025	2024
	\$	\$
Profit after income tax	<u>378,161</u>	<u>368,738</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>703,020</u>	<u>703,020</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>703,020</u>	<u>703,020</u>
	Cents	Cents
Basic earnings per share	53.79	52.45
Diluted earnings per share	53.79	52.45

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. 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.

Rockingham Community Financial Services Limited
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



Donna Leanne Bates
Chair

3 September 2025



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

Independent auditor's report to the Directors of Rockingham Community Financial Services Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Rockingham Community 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 Rockingham Community 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: 03 September 2025

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

Adrian Downing
Lead Auditor

Rockingham Community Bank®

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