

Annual Report 2025

Roleystone-Karragullen Financial
Services Ltd

Roleystone-Karragullen
ABN 66 121 609 390

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Chair's Report

On behalf of the Board of Directors, our Branch Manager for 2024-25, Jess Pain and the team, I thank you for your ongoing support of Community Bank Roleystone-Karragullen.

I would like to issue a round of applause to all Board members, including Mike Cirillo Gail Sampson, Srikrishnan Vaidyanathan, Janet Ward and Waverley Ong. You may be aware that Board Directors are volunteers from our local community and without the significant amount of time they invest, we would not be in the strong position we are today. I would also like to acknowledge and sincerely thank retiring Board members Kaisa Freeman and Margitta Docters van Leeuwen who contributed their expertise and deep commitment to the community over their 8 and 3 years, respectively.

This year, we welcomed Jessamin (Jess) Pain as the new Branch Manager. Jess has over fourteen years of experience in the banking sector and has brought a wealth of knowledge and a passion for community-focused service. With long-term staff Deb de Boer and Kelliy Freeman, and with new team members Saskia van den Berg and Asry Forsyth, RKFS has gone from strength to strength. This year we also appointed the Community Engagement role within the branch to expand our support of local community groups. These are the people that day in and day out deliver local services and support our community.

As a community-owned and operated bank, our success can be attributed to the profit-for-a-purpose model. Community Bank Roleystone-Karragullen continues to deliver outstanding customer service and direct benefit via community investment to a range of local projects, organisations and events. This return on investment is only possible through growing our business and encouraging the community to move their banking to a locally owned and operated bank, providing competitive services, very much the better big bank.

We would also like to acknowledge and thank Nicole in her Board support role. We once again thank the team at Innovative Accounting for their work providing high-quality financial services and advice. I would also like to thank the Bendigo Bank Regional Manager Paul Tribbeck, who supports and facilitates great outcomes for our Community Bank.

Without the strong and ongoing hard work of the Branch, or support of the local community, we would be unable to donate as much, return as much Shareholder value, or provide local services and jobs in our community.

Thank you for your support



Kate Mills

Chair - Roleystone-Karragullen Financial Services Limited

Manager's Report

Roleystone- Karragullen Financial Services
Branch Manager's Report
For year ending 30 June 2025

It is with deep pride and gratitude that I present this year's report — a reflection on growth, resilience, and meaningful community impact.

In a time when digital transformation is reshaping industries and many banks are closing their doors, Community Bank Roleystone- Karragullen stands firm as a physical presence in our town — because we believe that real connection still matters.

Despite economic headwinds and rising interest rates, our branch achieved \$30 million in growth this financial year. This success is more than a number — it reflects the trust our community places in us and the strength of relationships built through face-to-face service. Our deposit sector led the way, driven by competitive investment rates and the confidence that comes from speaking with someone who knows your name, your story, and your goals.

We proudly contributed \$152,841 to local organisations and an additional \$100,000 to our Community Enterprise Foundation. These funds directly support sporting clubs, schools, arts, local events, and many other community initiatives — proof that banking with purpose creates real change.

While Bendigo Bank continues to enhance digital systems to improve efficiency and accessibility, we remain committed to the human touch. Our branch is more than a place to do your banking — it's a place to ask questions, be heard, and to receive guidance from people who genuinely care. In-person service is not outdated; it's essential — especially for those who value clarity, connection, and community.

Our team continues to go above and beyond, volunteering at local events and supporting causes close to their hearts. Their dedication outside of business hours reflects the values we hold dear: service, generosity, and connection.

With that, I extend my heartfelt thanks to all branch staff in no particular order - Saskia van den Berg, Kelly Freeman, Deb de Boer, and Asry Forsyth — for their unwavering dedication, professionalism, and community spirit throughout the year. Your commitment to delivering exceptional service, fostering strong customer relationships, and upholding the values of our community bank has been instrumental to our continued success. Your efforts do not go unnoticed, and we are deeply grateful for the positive impact you make every day.

To our Board of Directors, thank you for your tireless commitment and leadership. Your volunteerism and strategic insight are the backbone of our success.

To our shareholders, your support empowers us to grow and give back — your investment is making a difference every day.

But we must be clear: passive support is no longer enough. Across Australia, bank branch closures are leaving communities without access to essential services and stripping away local jobs. If we want to keep banking local, we must actively choose it. We must all spread the word about what it means to support a community bank:

- Keeping a physical branch in town
- Providing local jobs for local people
- Reinvesting profits into the community — not sending them elsewhere
- Maintaining a face-to-face service that builds trust and empowers individuals

This is a purposeful movement, and we invite you to be part of it. Talk to your family, friends and neighbours; your clubs and schools — and share the message that banking locally is banking for good.

As we look ahead to the 2026 financial year, my team and I remain committed to serving Roleystone and surrounds with integrity, warmth, and purpose.

Thank you for being part of our journey.

Jess Pain
Branch Manager

Directors' report

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:	Kate Mills
Title:	Non-executive director
Experience and expertise:	BComm, BSocSci, GAICD. Kate has operated her consultancy business for over a decade, providing strategic and management advice, stakeholder engagement, project management, governance and research expertise. Specialising in business case development and securing project funding, Kate has secured over \$70m in funding for a range of projects. Kate is active in her local communities, serving on several boards. Most recently, she served as Deputy Chair of the State Government Goldfields-Esperance Development Commission. Kate has broad policy experience and knowledge across a range of private, government and not-for-profit sectors.
Special responsibilities:	Chair
Name:	Michael Frank Cirillo
Title:	Non-executive director
Experience and expertise:	Business owner of 'Muffler Mike's Exhaust Shop' for 17 years. Bachelor of Business - Economics of Finance. Leasing and Finance Officer - Bankwest. Mortgage and Housing Loan Officer - Challenge Bank. Thornlie TAFE Cert 2 and 3 Welding and Fabrication.
Special responsibilities:	Share registry.
Name:	Gail Beverley Sampson
Title:	Non-executive director
Experience and expertise:	Graduate of Graylands Teachers College and holds a Bachelor of Arts Social Sciences degree from Curtin University. 22 years' experience in primary school administration. Before retirement in 2021, Gail was Principal of Cooloongup Primary School. She was instrumental in the presentation to the Department of Education in 2015 to secure independent status for this school. In 2018, Gail accepted the invitation for the school to become part of the DoE Specialised program for students with autism spectrum disorder. As a member of the Rotary Club of Armadale, Gail has held the roles of President 2025 - 2026. In 2024, Gail became a volunteer with The Smith Family and in term 2 commenced work as a part time Learning Club Coordinator at local schools.
Special responsibilities:	Company Secretary
Name:	Vaidyanathan Srikrishnan Chelakkara
Title:	Non-executive director
Experience and expertise:	B.COM, MBA, CMA, FCMA, FIPA, MAICD. Sri has over 30 years' experience in growth, control, and financial management of companies in a range of industries, including almost ten years as Asia Pacific CFO with Altrad Services – a leader in services to the oil & gas, mining, minerals, and power sectors. Now as a CFO Advisor, Sri works for various clients to help them see the big picture, the pieces that make it up, and to implement the solutions that will transform and tie it all together.
Special responsibilities:	Treasurer
Name:	Si Hui Waverly Ong
Title:	Non-executive director (<i>appointed 1 July 2025</i>)
Experience and expertise:	Waverly is a CPA member and CA affiliate. Director of Innovation Accounting & Tax Pty Ltd and Treasurer of Animal Protection Society of WA Inc.

Name: Janet Ward
 Title: Non-executive director (*appointed 8 July 2025*)
 Experience and expertise: Janet is employed in the finance sector at Trustee Savings Bank since leaving school. After a short leave of absence with family commitments she returned to the finance department at Burswood Casino where she worked for 15 years. She then went on to own her own cleaning franchise for 15 years and now also owns a coffee shop in Roleystone. She has been a volunteer Fire Fighter for 10 years and is their acting secretary.
 Special responsibilities: Nil

Name: Kaisa Maaria Freeman
 Title: Non-executive director (*resigned 30 June 2025*)
 Experience and expertise: 30 years of global, regional and local experience in corporate strategy, strategic marketing, ESG and stakeholder relations in agriculture, engineering, mining, marine and transport sectors. A global Chief Marketing Officer and executive leadership team member at MEI Group Pty Ltd. MBA (ANU), MPolSc (Econ., HU), Post Graduate Diploma in International Trade and Diploma in Sustainability. Completed Wesfarmers' Certificate in Strategic Leadership in 2023, AusIMM's Professional Certificate in ESG and Social Performance in 2021, TECOA's Certificate in Financial Management and Project Investment Analysis (FMPIA) in 2021, AICD's Director Pipeline Programme in 2013 and Company Director's Course in 2014. Former director for IMP Industrial Marketing Ltd.
 Special responsibilities: Company Secretary (2019-2023). Elected member of Bendigo Bank's WA State Marketing Committee from 2021-2023. Appointed member of Bendigo Bank's National Marketing Forum since 2023.

Name: Margitta Sybil Docters Van Leeuwen
 Title: Non-executive director (*resigned 30 June 2025*)
 Experience and expertise: BA Communications and Cultural Studies, APMG Change Practitioner and PRINCE2 Practitioner accreditations. Margitta is an accomplished communications specialist with over 18 years in leadership roles specialising in strategic communications, issues management, organisational transformation, and stakeholder engagement and consultation in the state government. She has significant experience in governance, project management and policy development.
 Special responsibilities: Nil

Company secretary
 The company secretary is Gail Beverley Sampson. Gail was appointed to the position of company secretary on 31 December 2023.

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 \$156,616 (2024: \$105,890).

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 10 cents per share (2024: 20 cents)	65,886	131,772

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.

Meetings of directors

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

Board	Eligible	Attended
Kate Mills	13	12
Michael Frank Cirillo	13	13
Gail Beverley Sampson	13	11
Vaidyanathan Srikrishnan Chelakkara	13	11
Si Hui Waverly Ong	-	-
Janet Ward	-	-
Kaisa Maaria Freeman	13	9
Margitta Sybil Docters Van Leeuwen	13	12

Directors' benefits

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

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Kate Mills	-	-	-
Michael Frank Cirillo	1,000	-	1,000
Gail Beverley Sampson	-	-	-
Vaidyanathan Srikrishnan Chelakkara	-	-	-
Si Hui Waverly Ong	-	-	-
Janet Ward	-	-	-
Kaisa Maaria Freeman	-	-	-
Margitta Sybil Docters Van Leeuwen	-	-	-

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.

30 Jun 2025 Financial Report FINAL

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Kate Mills
Chair

25 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 Roleystone- Karragullen Financial Services Limited

As lead auditor for the audit of Roleystone-Karragullen 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 and address.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name and title.

Joshua Griffin
Lead Auditor

Giving Back to the Community and Shareholders

Financial Year 2024/2025

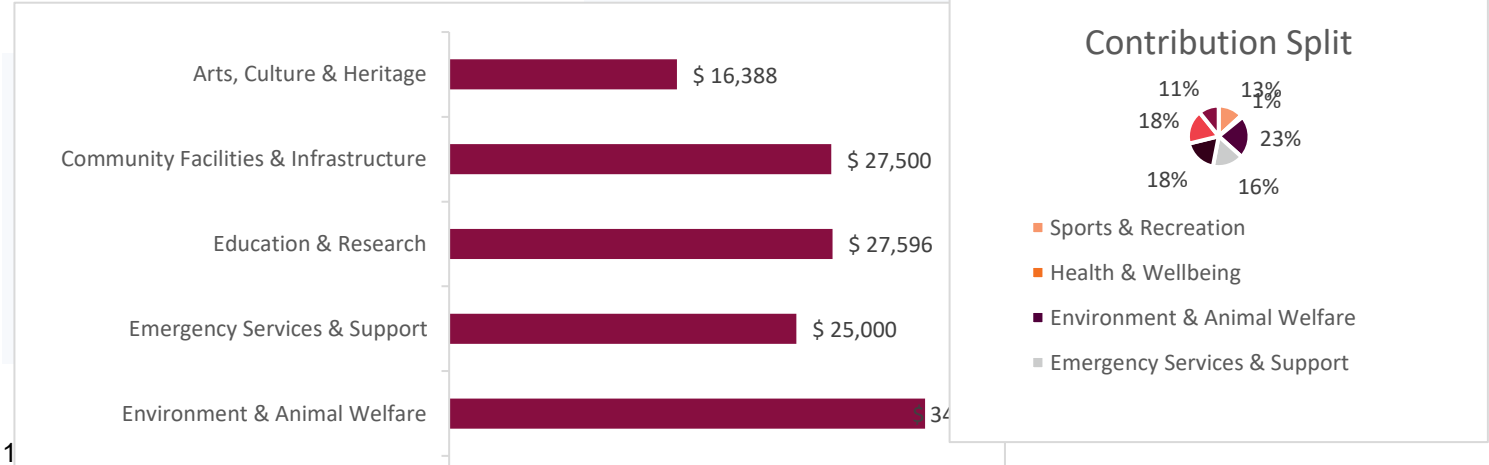
Contribution Totals by Type	
Donation	\$ 0
Grant	\$ 0
Scholarship	\$ 0
Sponsorship	\$152,291
Total	\$152,291

National Contribution	
FY24	\$40,457,751
Projects funded	8021
\$360 million reinvested back into local communities	

Contribution Totals by Sector	
Sports & Recreation	\$20,048
Health & Wellbeing	\$ 1,500
Environment & Animal Welfare	\$ 34,259
Emergency Services & Support	\$ 25,000
Education & Research	\$ 27,596
Community Facilities & Infrastructure	\$ 27,500
Arts, Culture & Heritage	\$ 16,388
Total	\$152,291



Contribution Split by Sector



Bendigo and Adelaide Bank report

Community Bank Report 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

CBNC chair's message



Community Bank Network: Embracing Our Guiding Principles

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, 1500+ volunteer directors, 1700 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

Dated: 25 September 2025

Financial Statement

		2025	2024
	Note	\$	\$
Revenue from contracts with customers	6	1,052,752	1,150,136
Finance revenue		49,132	20,178
Total revenue		<u>1,101,884</u>	<u>1,170,314</u>
Employee benefits expense	7	(403,864)	(408,256)
Advertising and marketing costs		(18,204)	(10,668)
Occupancy and associated costs		(34,177)	(24,973)
System costs		(19,191)	(16,870)
Depreciation and amortisation expense	7	(71,473)	(48,704)
Finance costs	7	(3,525)	(5,980)
General administration expenses		(90,204)	(92,977)
Total expenses before community contributions and income tax expense		<u>(640,638)</u>	<u>(608,428)</u>
Profit before community contributions and income tax expense		461,246	561,886
Charitable donations and sponsorships expense	7	<u>(252,271)</u>	<u>(422,081)</u>
Profit before income tax expense		208,975	139,805
Income tax expense	8	<u>(52,359)</u>	<u>(33,915)</u>
Profit after income tax expense for the year		156,616	105,890
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>156,616</u></u>	<u><u>105,890</u></u>
		Cents	Cents
Basic earnings per share	25	23.77	16.07
Diluted earnings per share	25	23.77	16.07

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

**Roleystone-Karragullen Financial
Services Limited Statement of
financial position
As at 30 June 2025**

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	51,516	222,632
Trade and other receivables	10	114,228	114,239
Investments	11	832,932	787,758
Current tax assets	8	34,773	-
Total current assets		<u>1,033,449</u>	<u>1,124,629</u>
Non-current assets			
Property, plant and equipment	12	47,594	61,699
Right-of-use assets	13	53,785	84,507
Intangible assets	14	21,349	34,780
Deferred tax assets	8	10,640	23,541
Total non-current assets		<u>133,368</u>	<u>204,527</u>
Total assets		<u>1,166,817</u>	<u>1,329,156</u>
Liabilities			
Current liabilities			
Trade and other payables	15	57,128	200,014
Lease liabilities	16	30,153	35,722
Current tax liabilities	8	-	21,828
Employee benefits		26,003	52,021
Total current liabilities		<u>113,284</u>	<u>309,585</u>
Non-current liabilities			
Trade and other payables	15	-	14,501
Lease liabilities	16	26,541	61,168
Employee benefits		2,661	11,105
Provisions		23,525	22,721
Total non-current liabilities		<u>52,727</u>	<u>109,495</u>
Total liabilities		<u>166,011</u>	<u>419,080</u>
Net assets		<u>1,000,806</u>	<u>910,076</u>
Equity			
Issued capital	17	658,861	658,861
Retained earnings		341,945	251,215
Total equity		<u>1,000,806</u>	<u>910,076</u>

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

Roleystone-Karragullen Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		658,861	277,097	935,958
Profit after income tax expense		-	105,890	105,890
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	105,890	105,890
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(131,772)	(131,772)
Balance at 30 June 2024		658,861	251,215	910,076
Balance at 1 July 2024		658,861	251,215	910,076
Profit after income tax expense		-	156,616	156,616
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	156,616	156,616
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(65,886)	(65,886)
Balance at 30 June 2025		658,861	341,945	1,000,806

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

Roleystone-Karragullen Financial Services Limited Statement of changes in equity
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,160,994	1,289,294
Payments to suppliers and employees (inclusive of GST)		(1,100,850)	(955,918)
Interest received		45,173	16,484
Interest and other finance costs paid		-	(1,340)
Income taxes paid		(96,059)	(141,972)
Net cash provided by operating activities	24	9,258	206,548
Cash flows from investing activities			
Redemption of/(payment for) investment		(45,174)	34,997
Payments for property, plant and equipment	12	(13,215)	(21,599)
Payments for intangible assets		(13,182)	(13,182)
Net cash provided by/(used in) investing activities		(71,571)	216
Cash flows from financing activities			
Interest and other finance costs paid		(2,721)	(3,861)
Dividends paid	19	(65,886)	(131,772)
Repayment of lease liabilities		(40,196)	(31,359)
Net cash used in financing activities		(108,803)	(166,992)
Net increase/(decrease) in cash and cash equivalents		(171,116)	39,772
Cash and cash equivalents at the beginning of the financial year		222,632	182,860
Cash and cash equivalents at the end of the financial year	9	51,516	222,632

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

Roleystone-Karragullen Financial Services Limited
Notes to the Statement of changes in equity
For the year ended 30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office	Principal place of business
Suite 1, 1 Kalamunda Road, Kalamunda WA 6076	Shop 8, 21 Jarrah Road, Roleystone WA 6111

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 25 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 include 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.

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Note 3. Material accounting policy information (continued)

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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.

30 June 2025

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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 April 2027.

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. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	955,718	1,029,886
Fee income	44,639	43,865
Commission income	<u>52,395</u>	<u>76,385</u>
	<u>1,052,752</u>	<u>1,150,136</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.

30 June 2025

Note 6. Revenue from contracts with customers (continued)

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.

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.

Roleystone-Karragullen Financial Services Limited Notes to the financial statements
30 June 2025

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	357,280	346,541
Superannuation contributions	40,821	38,540
Expenses related to long service leave	(8,435)	2,267
Other expenses	14,198	20,908
	<u>403,864</u>	<u>408,256</u>

Leases recognition exemption

	2025	2024
	\$	\$
Expenses relating to low-value leases	<u>5,668</u>	<u>5,194</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	18,550	2,372
Plant and equipment	8,770	2,097
	<u>27,320</u>	<u>4,469</u>

Depreciation of right-of-use assets

Leased land and buildings	<u>30,722</u>	<u>30,807</u>
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Amortisation of intangible assets

Franchise fee	2,239	2,239
Franchise renewal fee	11,192	11,189
	<u>13,431</u>	<u>13,428</u>
	<u>71,473</u>	<u>48,704</u>

Finance costs

	2025	2024
	\$	\$
Lease interest expense	2,721	3,861
Unwinding of make-good provision	804	779
General interest on income tax	-	1,340
	<u>3,525</u>	<u>5,980</u>

Charitable donations, sponsorships and grants

	2025	2024
	\$	\$
Direct donation, sponsorship and grant payments	252,271	190,502
Contribution to the Community Enterprise Foundation™	-	231,579
	<u>252,271</u>	<u>422,081</u>

Note 7. Expenses (continued)

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

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

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

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	39,458	37,872
Movement in deferred tax	12,901	(2,921)
Under/over adjustment	-	(1,036)
Aggregate income tax expense	<u>52,359</u>	<u>33,915</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>208,975</u>	<u>139,805</u>
Tax at the statutory tax rate of 25%	52,244	34,951
Tax effect of:		
Non-deductible expenses	<u>115</u>	<u>-</u>
Under/over adjustment	<u>52,359</u>	<u>34,951</u>
	<u>-</u>	<u>(1,036)</u>
Income tax expense	<u>52,359</u>	<u>33,915</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	7,166	15,781
Provision for lease make good	5,881	5,680
Accrued expenses	1,125	2,350
Income accruals	(4,259)	(3,269)
Lease liabilities	14,173	24,222
Right-of-use assets	(13,446)	(21,127)
Property, plant and equipment	-	(96)
Deferred tax asset	<u>10,640</u>	<u>23,541</u>
	2025 \$	2024 \$
Income tax refund due	<u>34,773</u>	<u>-</u>

Note 8. Income tax (continued)

	2025 \$	2024 \$
Provision for income tax	-	21,828

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	51,516	222,632

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	91,207	94,174
Accrued income	17,034	13,076
Prepayments	5,987	6,989
	23,021	20,065
	114,228	114,239

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposit	832,932	787,758

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	274,325	269,840
Less: Accumulated depreciation	(229,157)	(210,607)
	<u>45,168</u>	<u>59,233</u>
Plant and equipment - at cost	39,748	31,018
Less: Accumulated depreciation	(37,322)	(28,552)
	<u>2,426</u>	<u>2,466</u>
	<u><u>47,594</u></u>	<u><u>61,699</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 \$	Total \$
Balance at 1 July 2023	40,006	4,563	44,569
Additions	21,599	-	21,599
Depreciation	<u>(2,372)</u>	<u>(2,097)</u>	<u>(4,469)</u>
Balance at 30 June 2024	59,233	2,466	61,699
Additions	4,485	8,730	13,215
Depreciation	<u>(18,550)</u>	<u>(8,770)</u>	<u>(27,320)</u>
Balance at 30 June 2025	<u><u>45,168</u></u>	<u><u>2,426</u></u>	<u><u>47,594</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 diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	1 to 40 years
Plant and equipment	5 to 10 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.

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	203,026	203,026
Less: Accumulated depreciation	<u>(149,241)</u>	<u>(118,519)</u>
	<u><u>53,785</u></u>	<u><u>84,507</u></u>

Note 13. Right-of-use assets (continued)

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	114,818
Remeasurement adjustments	496
Depreciation expense	<u>(30,807)</u>
Balance at 30 June 2024	84,507
Depreciation expense	<u>(30,722)</u>
Balance at 30 June 2025	<u><u>53,785</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	43,579	43,579
Less: Accumulated amortisation	<u>(40,019)</u>	<u>(37,780)</u>
	<u>3,560</u>	<u>5,799</u>
Franchise renewal fee	167,892	167,892
Less: Accumulated amortisation	<u>(150,103)</u>	<u>(138,911)</u>
	<u>17,789</u>	<u>28,981</u>
	<u><u>21,349</u></u>	<u><u>34,780</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	8,038	40,170	48,208
Amortisation expense	<u>(2,239)</u>	<u>(11,189)</u>	<u>(13,428)</u>
Balance at 30 June 2024	5,799	28,981	34,780
Amortisation expense	<u>(2,239)</u>	<u>(11,192)</u>	<u>(13,431)</u>
Balance at 30 June 2025	<u><u>3,560</u></u>	<u><u>17,789</u></u>	<u><u>21,349</u></u>

Note 14. Intangible assets (continued)

Accounting policy for intangible assets

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

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

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

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

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

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	2,841	142,482
Other payables and accruals	54,287	57,532
	<u>57,128</u>	<u>200,014</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,501
	<u>-</u>	<u>14,501</u>
	2025 \$	2024 \$
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	57,128	214,515
less other payables and accruals (net GST payable to the ATO)	(11,383)	(15,216)
	<u>45,745</u>	<u>199,299</u>

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	30,153	35,722
	<u>30,153</u>	<u>35,722</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	26,541	61,168
	<u>26,541</u>	<u>61,168</u>

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	96,890	124,726
Remeasurement adjustments	-	3,523
Lease interest expense	2,721	3,861
Lease payments - total cash outflow	(42,917)	(35,220)
	<u>56,694</u>	<u>96,890</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
Roleystone & Karragullen branch	3.54%	5 years	N/A	N/A	March 2027

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>658,861</u>	<u>658,861</u>	<u>658,861</u>	<u>658,861</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

Note 17. Issued capital (continued)

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 300. As at the date of this report, the company had 334 shareholders (2024: 322 shareholders).

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

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

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

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

Note 18. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board 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.

Note 18. Capital management (continued)

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 20 cents)	65,886	131,772
Franking credits		
	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	169,692	71,644
Franking credits (debits) arising from income taxes paid (refunded)	96,058	141,972
Franking debits from the payment of franked distributions	(21,962)	(43,924)
	<u>243,788</u>	<u>169,692</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	243,788	169,692
Franking credits (debits) that will arise from payment (refund) of income tax	(34,773)	21,828
Franking credits available for future reporting periods	<u>209,015</u>	<u>191,520</u>

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

Accounting policy for dividends

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

Note 20. Financial risk management

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

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

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

Roleystone-Karragullen Financial Services Limited Notes to the financial statements
30 June 2025

- 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)	108,241	107,250
Cash and cash equivalents (note 9)	51,516	222,632
Investments (note 11)	832,932	787,758
	<u>992,689</u>	<u>1,117,640</u>
Financial liabilities		
Trade and other payables (note 15)	45,745	199,299
Lease liabilities (note 16)	56,694	96,890
	<u>102,439</u>	<u>296,189</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.

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

Note 20. Financial risk management (continued)

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 \$51,516 and investments of \$832,932 at 30 June 2025 (2024: \$222,632 and \$787,758).

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	45,745	-	-	45,745
Lease liabilities	30,725	27,763	-	58,488
Total non-derivatives	76,470	27,763	-	104,233
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	184,798	14,501	-	199,299
Lease liabilities	36,277	65,127	-	101,404
Total non-derivatives	221,075	79,628	-	300,703

Note 21. Key management personnel disclosures

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

Kate Mills	Si Hui Waverly Ong
Michael Frank Cirillo	Janet Ward
Gail Beverley Sampson	Kaisa Maaria Freeman
Vaidyanathan Srikrishnan Chelakkara	Margitta Sybil Docters Van Leeuwen

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 22. Related party transactions

Key management personnel

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

Roleystone-Karragullen Financial Services Limited Notes to the financial statements
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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 \$
During the period, one of the Board Members daughter in law performed Board support services on a casual basis.	9,138	2,500
The company paid a Grant to the Volunteer Fire Brigade, of which Janet is a volunteer fire fighter and the company secretary	25,000	-

Note 23. Remuneration of auditors

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

	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	265	700
General advisory services	3,340	3,370
Share registry services	8,080	6,652
	11,685	10,722
	19,615	17,372

Roleystone-Karragullen Financial Services Limited Notes to the financial statements
30 June 2025

	2025 \$	2024 \$
Note 24. Reconciliation of profit after income tax to net cash provided by		
	156,616	105,890
Profit after income tax expense for the year		
Adjustments for:		
Depreciation and amortisation	71,473	48,704
Lease liabilities interest	2,721	3,861
Change in operating assets and liabilities:		
Decrease in trade and other receivables	11	13,561
Increase in income tax refund due	(34,773)	-
Decrease/(increase) in deferred tax assets	12,901	(2,921)
Increase/(decrease) in trade and other payables	(144,205)	133,344
Decrease in provision for income tax	(21,828)	(105,136)
Increase/(decrease) in employee benefits	(34,462)	8,466
Increase in other provisions	804	779
Net cash provided by operating activities	9,258	206,548

Note 25. Earnings per share

	2025 \$	2024 \$
Profit after income tax	156,616	105,890
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	658,861	658,861
Weighted average number of ordinary shares used in calculating diluted earnings per share	658,861	658,861
	Cents	Cents
Basic earnings per share	23.77	16.07
Diluted earnings per share	23.77	16.07

Note 26. Commitments

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

Note 27. Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 28. 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.

Roleystone-Karragullen 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



Kate Mills
Chair

25 September 2025



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the Directors of Roleystone- Karragullen Financial Services Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Roleystone-Karragullen 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 Roleystone-Karragullen 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.



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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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2025

Joshua Griffin
Lead Auditor

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