

Annual Report 2025

Rosewood & District
Financial Services Limited

Community Bank
Rosewood & District
ABN 62 115 218 472



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Chairman's report

For year ending 30 June 2025

It gives me great pleasure to present my fourth chair's report and the company's twentieth Annual Report for Rosewood & District Financial Services Limited.

I am pleased to announce that once again, our Community Bank Rosewood & District branch has achieved an excellent result this past year as you will see in the Branch Managers Report.

The Community Bank Rosewood & District has invested over \$2 million into the local community since opening in 2005, and this figure continues to grow each month with the support of our customers by banking with us.

We will be celebrating our 20th Birthday in December this year and look forward to celebrating with as many of our shareholders, customers, community groups and local community members who would love to attend.

We have had no change in staff members during the past 12 months, which shows loyalty to our Community and the Bank. I would like to thank our wonderful staff. They have shown great strength during this past 12 months.

In June 2025 we unfortunately lost two of our previous directors. Our founding director Clyde Nicoll who attended Henty to see about commencing a community bank in Rosewood and Margaret Ross who was secretary of the steering committee.

To my fellow board members, thank you for your continued support and all the support you give to help build our bank.

To our shareholders once again thank you for your continued support of the board and our bank.

Kind Regards

KmHillan

Kate Hillan
Chairperson

Branch Manager's report

For year ending 30 June 2025

It is with great pleasure that I present my fourth Branch Manager's Report for the Community Bank Rosewood & District.

I have now completed just under four years as the Branch Manager and recently, personally celebrated 25 years employment with Bendigo Bank.

As always, I am incredibly pleased with the support our local community provides the Branch by keeping their banking locally.

Your everyday banking makes a real difference to our community. You require a bank to give you the products and services you need, and we need your banking to help us make a difference. \$366 million in profits from our Community Bank partnerships have been reinvested in Australian communities since 1998.

Rosewood & District Financial Services Limited has reinvested over \$2 million into the local community over the past 19 years in the form of merchandise, grants, sponsorships, shareholder dividends and donations. \$255,831 has been reinvested into our community, over the past twelve months.

The Branch has also returned \$54,316 in dividends back to our shareholders in December 2024.

Australia's economy is well positioned, with moderating inflation allowing for further RBA rate cuts while US tariffs will likely have a lower impact on the Australian economy to that of other economies. Underlying inflation is back within the RBA target range, allowing the RBA to take the cash rate to a more neutral level which should combine favourably with resilient labour markets and low unemployment. Globally, economic policy uncertainty remains elevated along with geopolitical tensions.

In terms of the Branch results for the year ending 30 June 2025, we had another strong year regarding our performance.

Our total footings grew by \$5.3 million, which is positive. Income and expenses were comparable to the previous financial year and our net profit after tax was lower than the previous financial year due to our increase in community contributions.

The branch has retained all staff with Dot, Tracey, Lara, and Kimmi still welcoming our existing and new customers.

I would personally like to take this opportunity to thank the branch staff for their wonderful efforts and commitment over the past 12 months.

The support and work undertaken by our Board of Directors each year demonstrates the commitment and dedication they have for our local community. This year we welcomed Kate Kunzelmann as a new Director. They volunteer their time each year to promote the region, the Community Bank Rosewood & District and have a genuine interest in the future growth of the region. We thank you all for your tireless efforts this past year.

In closing, we are all looking forward to enjoying our ongoing community involvement, further growing our branch footings, and enjoying the continued customer support.

Thank you to you our shareholders and our customers for your support over the past year, without you the Community Bank Rosewood & District would not be able to continue to provide our support to the local region.

Please consider the Community Bank Rosewood & District for all your banking requirements.

Peter Groenenberg

Branch Manager

Community Bank Rosewood & District

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:	Kathleen Maree Hillan
Title:	Non-executive directors
Experience and expertise:	Committee Member of Rosewood Show Society, member of Ipswich Show Society, Accommodation Co-ordinator for Ekka and holds a Cert III in Financial Services
Special responsibilities:	Chair
Name:	Eirys Mabel Heit
Title:	Non-executive director
Experience and expertise:	Former local business owner. Member Lions Club of Rosewood Inc. Former member and Chairperson Cabanda Care Inc. Winner Rosewood Citizen of the Year Award 2011.
Special responsibilities:	Treasurer and Secretary
Name:	Paul Gerard Toohey
Title:	Non-executive director
Experience and expertise:	28 years experience with David Jones in logistics and management. 5 years experience with operational logistic management in transport company. Currently Course Superintendent and Greenkeeper with Rosewood Golf Club. Past involvement with St Brigid's Parents and Friends Association, West Moreton Anglican College Sports Program, Eastern Suburbs Hockey Association and Minden Rural Fire Brigade. Current Committee member of Rosewood Golf Club Inc.
Special responsibilities:	Nil
Name:	Nagaraj Dupakuntla
Title:	Non-executive director (<i>appointed 25 July 2024</i>)
Experience and expertise:	Owner of Rosewood General Practice
Name:	Kate Paula Kunzelmann
Title:	Non-executive director (<i>appointed 17 June 2025</i>)
Experience and expertise:	Masters in Health Management, Former Education Manager, Former Ipswich City Councilor, Member of Ipswich Show Society.
Name:	Stuart Gregory Barrett
Title:	Non-executive director (<i>resigned 16 August 2024</i>)
Experience and expertise:	Owner of PRD Bremer Valley Real Estate and director for Bremer Property Group Pty Ltd.
Special responsibilities:	Nil
Name:	Erin Elizabeth Turner
Title:	Non-executive director (<i>resigned 31 March 2025</i>)
Experience and expertise:	Business Resource Officer. Studied Marketing, International Business and Accounting. Currently employed at the Ipswich City Council.
Special responsibilities:	Vice Chair
Name:	Lisa Lynette Blake
Title:	Non-executive director (<i>resigned 2 June 2025</i>)
Experience and expertise:	Lisa was the former Branch Manager of the Rosewood & District Community Bank Branch until 2017. Lisa has been employed with Bendigo and Adelaide Bank since 2011 and is currently an Assessment Officer (Adelaide Bank). Lisa holds a Certificate IV in Financial Services (Finance/Mortgage Broking).
Special responsibilities:	Secretary

Directors' report *(continued)*

Company secretary

There have been two company secretaries holding the position during the financial year:

- Eirys Mabel Heit was appointed company secretary on 17 June 2025.
- Lisa Lynette Blake was appointed company secretary on 27 January 2022 and ceased on 2 June 2025.

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 \$79,233 (2024: \$176,095). 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: 10 cents)	54,316	54,316

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
Kathleen Maree Hillan	10	10
Eirys Mabel Heit	10	10
Paul Gerard Toohey	10	7
Nagaraj Dupakuntla	10	8
Kate Paula Kunzelmann	1	1
Stuart Gregory Barrett	1	-
Erin Elizabeth Turner	7	4
Lisa Lynette Blake	10	8

Directors' report *(continued)*

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
Kathleen Maree Hillan	501	-	501
Eirys Mabel Heit	7501	-	7501
Paul Gerard Toohey	-	-	-
Nagaraj Dupakuntla	-	-	-
Kate Paula Kunzelmann	-	200	200
Stuart Gregory Barrett	-	-	-
Erin Elizabeth Turner	500	-	500
Lisa Lynette Blake	500	-	500

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*.

Indemnity and insurance of auditor

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

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

Non-audit services

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

Directors' report *(continued)*

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



Kathleen Maree Hillan
Chair

25 September 2025

Auditor's independence declaration



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

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

As lead auditor for the audit of Rosewood & District Financial Services Limited (the company), for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

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

Joshua Griffin
Lead Auditor

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the financial year ending 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,042,635	1,054,462
Other revenue		24,676	15,903
Finance revenue		6,933	6,122
Total revenue		<u>1,074,244</u>	<u>1,076,487</u>
Employee benefits expense	7	(471,827)	(441,149)
Advertising and marketing costs		(14,243)	(14,482)
Occupancy and associated costs		(40,015)	(35,004)
System costs		(18,962)	(16,005)
Depreciation and amortisation expense	7	(77,683)	(82,469)
Finance costs	7	(6,608)	(8,670)
General administration expenses		(83,132)	(74,379)
Total expenses before community contributions and income tax		<u>(712,470)</u>	<u>(672,158)</u>
Profit before community contributions and income tax expense		361,774	404,329
Charitable donations, sponsorships and grants expense	7	<u>(255,831)</u>	<u>(168,631)</u>
Profit before income tax expense		105,943	235,698
Income tax expense	8	<u>(26,710)</u>	<u>(59,603)</u>
Profit after income tax expense for the year		79,233	176,095
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>79,233</u></u>	<u><u>176,095</u></u>
		Cents	Cents
Basic earnings per share	26	14.59	32.42
Diluted earnings per share	26	14.59	32.42

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

Financial statements *(continued)*

Statement of financial position as at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	262,779	213,897
Trade and other receivables	10	52,224	74,242
Investments	11	150,000	150,088
Current tax assets	8	26,088	16,168
Investment properties held for sale	14	409,183	397,888
Total current assets		<u>900,274</u>	<u>852,283</u>
Non-current assets			
Property, plant and equipment	12	32,522	44,455
Right-of-use assets	13	81,133	123,539
Intangible assets	15	5,379	18,291
Deferred tax assets	8	5,854	8,507
Total non-current assets		<u>124,888</u>	<u>194,792</u>
Total assets		<u>1,025,162</u>	<u>1,047,075</u>
Liabilities			
Current liabilities			
Trade and other payables	16	18,724	18,373
Lease liabilities	17	56,548	55,083
Total current liabilities		<u>75,272</u>	<u>73,456</u>
Non-current liabilities			
Lease liabilities	17	40,707	90,406
Provisions		23,037	21,984
Total non-current liabilities		<u>63,744</u>	<u>112,390</u>
Total liabilities		<u>139,016</u>	<u>185,846</u>
Net assets		<u>886,146</u>	<u>861,229</u>
Equity			
Issued capital	18	522,995	522,995
Retained earnings		<u>363,151</u>	<u>338,234</u>
Total equity		<u>886,146</u>	<u>861,229</u>

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

Financial statements *(continued)*

Statement of Changes in Equity for the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		522,995	216,455	739,450
Profit after income tax expense		-	176,095	176,095
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	176,095	176,095
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(54,316)	(54,316)
Balance at 30 June 2024		<u>522,995</u>	<u>338,234</u>	<u>861,229</u>
 Balance at 1 July 2024		 522,995	 338,234	 861,229
Profit after income tax expense		-	79,233	79,233
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	79,233	79,233
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(54,316)	(54,316)
Balance at 30 June 2025		<u>522,995</u>	<u>363,151</u>	<u>886,146</u>

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

Financial statements *(continued)*

Statement of Cash Flows for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,196,603	1,187,189
Payments to suppliers and employees (inclusive of GST)		(990,960)	(849,406)
Interest received		6,960	4,632
Income taxes paid		(33,977)	(164,069)
Net cash provided by operating activities	25	178,626	178,346
Cash flows from investing activities			
Redemption of/(payment for) investments		88	(50,088)
Payments for investment property improvements		(16,618)	-
Payments for property, plant and equipment		(2,247)	-
Net cash used in investing activities		(18,777)	(50,088)
Cash flows from financing activities			
Interest and other finance costs paid		(5,555)	(7,662)
Dividends paid	20	(54,316)	(54,316)
Repayment of lease liabilities		(51,096)	(47,220)
Net cash used in financing activities		(110,967)	(109,198)
Net increase in cash and cash equivalents		48,882	19,060
Cash and cash equivalents at the beginning of the financial year		213,897	194,837
Cash and cash equivalents at the end of the financial year	9	262,779	213,897

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

Notes to the financial statements

For the year ending 30 June 2025

Note 1. Reporting entity

The financial statements cover Rosewood & District 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 30A John Street, Rosewood QLD 4340.

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

Impairment of financial assets

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

Notes to the financial statements *(continued)*

Note 3. Material accounting policy information (continued)

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

Notes to the financial statements *(continued)*

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, 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. Such a 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.

Notes to the financial statements *(continued)*

Note 5. Economic dependency

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	894,872	916,738
Fee income	68,371	70,188
Commission income	79,392	67,536
	<u>1,042,635</u>	<u>1,054,462</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:

Notes to the financial statements *(continued)*

Note 6. Revenue from contracts with customers (continued)

<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.

Notes to the financial statements *(continued)*

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	377,770	352,430
Superannuation contributions	45,385	41,075
Expenses related to long service leave	8,687	8,641
Other expenses	39,985	39,003
	<u>471,827</u>	<u>441,149</u>

Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of tangible assets</i>		
Investment properties	5,323	4,348
Leasehold improvements	11,437	11,605
Plant and equipment	2,743	3,121
	<u>19,503</u>	<u>19,074</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	45,268	43,726
<i>Amortisation of intangible assets</i>		
Franchise fee	2,152	2,152
Franchise renewal fee	10,760	10,759
Rights to revenue share	-	6,758
	<u>12,912</u>	<u>19,669</u>
	<u>77,683</u>	<u>82,469</u>

Finance costs

	2025 \$	2024 \$
Lease interest expense	5,555	7,662
Unwinding of make good provision	1,053	1,008
	<u>6,608</u>	<u>8,670</u>

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	107,506	90,904
Contribution to the Community Enterprise Foundation™	148,325	77,727
	<u>255,831</u>	<u>168,631</u>

Notes to the financial statements *(continued)*

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	24,057	63,076
Movement in deferred tax	2,653	(2,245)
Under/over adjustment in respect to prior year	-	(1,228)
Aggregate income tax expense	<u>26,710</u>	<u>59,603</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>105,943</u>	<u>235,698</u>
Tax at the statutory tax rate of 25%	26,486	58,925
Tax effect of:		
Non-deductible expenses	224	1,906
Under/over adjustment in respect to prior year	-	(1,228)
Income tax expense	<u>26,710</u>	<u>59,603</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(3,511)	(2,165)
Lease liabilities	24,314	36,372
Provision for lease make good	5,759	5,496
Accrued expenses	980	1,101
Income accruals	(1,405)	(1,412)
Right-of-use assets	(20,283)	(30,885)
Deferred tax asset	<u>5,854</u>	<u>8,507</u>
	2025 \$	2024 \$
Income tax refund due	<u>26,088</u>	<u>16,168</u>

Accounting policy for income tax

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

Notes to the financial statements *(continued)*

Note 8. Income tax (continued)

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	<u>262,779</u>	<u>213,897</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	<u>40,037</u>	<u>62,861</u>
Accrued income	5,620	5,646
Prepayments	<u>6,567</u>	<u>5,735</u>
	<u>12,187</u>	<u>11,381</u>
	<u>52,224</u>	<u>74,242</u>

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	<u>150,000</u>	<u>150,088</u>

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	173,302	173,302
Less: Accumulated depreciation	<u>(151,320)</u>	<u>(139,883)</u>
	<u>21,982</u>	<u>33,419</u>
Plant and equipment - at cost	64,559	62,312
Less: Accumulated depreciation	<u>(54,019)</u>	<u>(51,276)</u>
	<u>10,540</u>	<u>11,036</u>
	<u>32,522</u>	<u>44,455</u>

Notes to the financial statements *(continued)*

Note 12. Property, plant and equipment (continued)

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	45,024	14,157	59,181
Depreciation	(11,605)	(3,121)	(14,726)
Balance at 30 June 2024	33,419	11,036	44,455
Additions	-	2,247	2,247
Depreciation	(11,437)	(2,743)	(14,180)
Balance at 30 June 2025	<u>21,982</u>	<u>10,540</u>	<u>32,522</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	5 to 20 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.

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	325,277	322,415
Less: Accumulated depreciation	(244,144)	(198,876)
	<u>81,133</u>	<u>123,539</u>

Notes to the financial statements *(continued)*

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	160,628
Remeasurement adjustments	6,637
Depreciation expense	<u>(43,726)</u>
Balance at 30 June 2024	123,539
Additions	2,862
Depreciation expense	<u>(45,268)</u>
Balance at 30 June 2025	<u><u>81,133</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 17 for more information on lease arrangements.

Note 14. Investment properties held for sale

	2025 \$	2024 \$
<i>Current assets</i>		
Investment property - at cost	470,554	453,936
Less: accumulated depreciation	<u>(61,371)</u>	<u>(56,048)</u>
	<u><u>409,183</u></u>	<u><u>397,888</u></u>

Reconciliation

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

Opening balance	397,888	402,236
Additions	16,618	-
Depreciation	<u>(5,323)</u>	<u>(4,348)</u>
Closing balance	<u><u>409,183</u></u>	<u><u>397,888</u></u>

Accounting policy for investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are recognised at cost, less accumulated depreciation. As at 30 June 2025 the company currently has the intention to sell the 26-28 John Street Property, hence the current asset classification has been applied.

Notes to the financial statements *(continued)*

Note 14. Investment properties held for sale (continued)

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

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 which is 40 years.

Note 15. Intangible assets

	2025 \$	2024 \$
Franchise fee	43,626	43,626
Less: Accumulated amortisation	(42,730)	(40,578)
	896	3,048
Franchise renewal fee	168,133	168,133
Less: Accumulated amortisation	(163,650)	(152,890)
	4,483	15,243
Rights to revenue share	33,790	33,790
Less: Accumulated amortisation	(33,790)	(33,790)
	-	-
	5,379	18,291

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 \$	Rights to revenue share \$	Total \$
Balance at 1 July 2023	5,200	26,002	6,758	37,960
Amortisation expense	(2,152)	(10,759)	(6,758)	(19,669)
Balance at 30 June 2024	3,048	15,243	-	18,291
Amortisation expense	(2,152)	(10,760)	-	(12,912)
Balance at 30 June 2025	896	4,483	-	5,379

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 and domiciled customer accounts purchased by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2030
Rights to revenue share	Straight-line	5 years	June 2024

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

Notes to the financial statements *(continued)*

Note 16. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	8,029	784
Other payables and accruals	10,695	17,589
	<u>18,724</u>	<u>18,373</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	18,724	18,373
Less other payables and accruals (net GST payable to the ATO)	(3,098)	(11,031)
	<u>15,626</u>	<u>7,342</u>

Note 17. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>56,548</u>	<u>55,083</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>40,707</u>	<u>90,406</u>
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	145,489	186,448
Remeasurement adjustments	2,862	6,261
Lease interest expense	5,555	7,662
Lease payments - total cash outflow	(56,651)	(54,882)
	<u>97,255</u>	<u>145,489</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.

Notes to the financial statements *(continued)*

Note 17. Lease liabilities (continued)

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
Rosewood Branch	4.79%	5 years	N/A	N/A	March 2027

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	543,160	543,160	543,160	543,160
Less: Equity raising costs	-	-	(20,165)	(20,165)
	<u>543,160</u>	<u>543,160</u>	<u>522,995</u>	<u>522,995</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

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:

Notes to the financial statements *(continued)*

Note 18. Issued capital (continued)

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

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

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

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

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

Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 20. Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 10 cents)	<u>54,316</u>	<u>54,316</u>

Notes to the financial statements *(continued)*

Note 20. Dividends (continued)

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	189,209	43,245
Franking credits (debits) arising from income taxes paid (refunded)	33,977	164,069
Franking debits from the payment of franked distributions	(18,105)	(18,105)
	<u>205,081</u>	<u>189,209</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	205,081	189,209
Franking credits (debits) that will arise from payment (refund) of income tax	(26,088)	(16,168)
Franking credits available for future reporting periods	<u>178,993</u>	<u>173,041</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 21. 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:

- 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)	45,657	68,507
Cash and cash equivalents (note 9)	262,779	213,897
Investments (note 11)	150,000	150,088
	<u>458,436</u>	<u>432,492</u>
Financial liabilities		
Trade and other payables (note 16)	15,626	7,342
Lease liabilities (note 17)	97,255	145,489
	<u>112,881</u>	<u>152,831</u>

Notes to the financial statements *(continued)*

Note 21. Financial risk management (continued)

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.

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 \$262,779 and investments of \$150,000 at 30 June 2025 (2024: \$213,897 and \$150,088).

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.

Notes to the financial statements *(continued)*

Note 21. Financial risk management (continued)

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	15,626	-	-	15,626
Lease liabilities	57,773	43,330	-	101,103
Total non-derivatives	73,399	43,330	-	116,729
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	7,342	-	-	7,342
Lease liabilities	54,417	149,648	-	204,065
Total non-derivatives	61,759	149,648	-	211,407

Note 22. Key management personnel disclosures

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

Kathleen Maree Hillan
Erin Elizabeth Turner
Lisa Lynette Blake
Nagaraj Dupakuntla

Eirys Mabel Heit
Stuart Gregory Barrett
Paul Gerard Toohey
Kate Paula Kunzelmann

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

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

Note 23. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company sponsored Rosewood Golf Club	12,000	-

Notes to the financial statements *(continued)*

Note 24. Remuneration of auditors

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

	2025 \$	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	3,130	3,440
Share registry services	5,116	4,945
	8,511	9,085
	<u>16,441</u>	<u>15,735</u>

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	79,233	176,095
Adjustments for:		
Depreciation and amortisation	77,683	82,469
Lease liabilities interest	5,555	7,662
Change in operating assets and liabilities:		
Decrease in trade and other receivables	22,018	8,494
Increase in income tax refund due	(9,920)	(16,168)
Decrease/(increase) in deferred tax assets	2,653	(2,245)
Increase in trade and other payables	351	7,084
Decrease in provision for income tax	-	(86,053)
Increase in other provisions	1,053	1,008
Net cash provided by operating activities	<u>178,626</u>	<u>178,346</u>

Note 26. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>79,233</u>	<u>176,095</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>543,160</u>	<u>543,160</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>543,160</u>	<u>543,160</u>
	Cents	Cents
Basic earnings per share	14.59	32.42
Diluted earnings per share	14.59	32.42

Notes to the financial statements *(continued)*

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Kathleen Maree Hillan
Chair

25 September 2025

Independent audit report



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

Independent auditor's report to the Directors of Rosewood & District Financial Services Limited

Report on the audit of the financial report

Our opinion

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

- i. giving a true and fair view of the company's financial position as at 30 June 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 Rosewood & District 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.

Independent audit report *(continued)*



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: 25 September 2025

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

Joshua Griffin
Lead Auditor

Share Registry Information

Common self-help queries

Forms for updates & transfers

For forms to update your details or manage deceased transfers, visit our website:
<https://www.afsbendigo.com.au/shareholders/>

Account statements & updates

To update your address or bank details, log in to your Registry Direct account at <https://www.registrydirect.com.au/login/> (you can reset your password if needed).

Centrelink Holding Statements

To download a holding statement for Centrelink requests, log in to your Registry Direct account at <https://www.registrydirect.com.au/login/> and download it from your home screen.

Low Volume Market (LVM) trade history

To view your LVM trade history, go to the Bendigo Bank website at www.bendigobank.com.au, locate your branch using the “Locate us” button on the top right, view the branches page and click on the “Trading Shares (LVM)” link.

Please take advantage of these helpful hints and make sure you have your address, bank details and email addresses up to date.

This can all be done as per the above information.

There are still many shareholders missing out on their dividends because they have not notified the share registry of this information.

Thank you for your patience!

Community Bank
Rosewood & District

20th Birthday Celebrations

Shareholders, customers, community groups and community members, come along and help celebrate our 20th Birthday in conjunction with our Grants Presentation Dinner.

When Saturday 6th December 2025

Time 6pm - 9.30pm

Where Rosewood Cultural Centre,
Railway Street Rosewood

Phone **5464 2503** for more information.

**YOU'RE
INVITED**



 **Bendigo Bank**

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 OUT_47265274, 24/09/2025

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Franchisee: Rosewood & District Financial Services Limited
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