

Annual Report 2025

Sandringham Community
Financial Services Limited

Community Bank
Sandringham

ABN 86 099 131 192



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Chairman's report

For year ending 30 June 2025



Our Business continues to grow with results much in line with the previous two years. Sandringham Community Financial Services Limited (SCFSL) achieved

another sound profit after tax of \$306,276. This is after a contribution of \$200,000 to the Community Enterprise Foundation for future Grants to our Community and compares with the profit after tax of \$898,022 achieved in the previous year.

SCFSL's balance sheet has been further strengthened with our total equity now standing at \$2,435,082.

Our business volumes continue to grow, and our Branch Manager, Matthew Gallop will give more details in his attached report.

SCFSL is well positioned with our business and we are comfortable with our budget forecasts for the year ahead.

Dividend

A fully franked dividend of 10 cents has been paid for the year to 30 June 2025, an increase on the 8 cents paid in the previous year.

Community contributions

Community contributions for the year were \$460,836. Included in this figure was the sum of \$200,000 contributed to the Community Enterprise Foundation for future distribution of Grants to the community.

During the year we completed a major project at the Sandringham premises with the unveiling of the Community Mural on the Branch. This has added a significant highlight to the skyline of Sandringham and acknowledges the close connection our Branch has with the local community.

Since commencing in 2002, the Community Bank Sandringham has now contributed more than

\$3,900,000 to the community through our Donations, Sponsorships, Grants and Dividends and we will pass the \$4 million mark early in the new financial year.

Details of our community contributions are shown separately in the Report.

Strategy

We regularly review our strategy to ensure that we are well placed to meet the challenges of providing quality banking services and meeting the requirements of our communities in Hampton, Sandringham, Black Rock and Beaumaris.

Directors and Staff

A strength of our business is the stability and quality of our Directors and Staff. The Directors bring a good and varied mix of skills and make valuable contributions to the Board and the various committees. I am indebted to their ongoing contribution and support.

We continually review our Board with a view to ensuring that we have a good succession plan in place with the appropriate skills for the future.

Our staff provide high quality professional and personalised service and it is pleasing to receive many compliments about their high standard of service delivery and their close connection with the community.

Shareholders

To our shareholders, many thanks for your continued support both as shareholders and customers. We are pleased to be able to reward you with regular dividends and we look forward to your continued support over the future years.

A handwritten signature in black ink, appearing to read 'Graham M Ludecke', written over a light blue background.

Graham M Ludecke
Chair

Manager's report

For year ending 30 June 2025



Community Bank Sandringham has been trading for 22 years and continues to grow with total branch footings of \$380 million consisting of \$291 million deposits and \$89 million in lending.

We continue to see our customer numbers grow and we now have 6,359 customers with 9,900 accounts. A fantastic result considering we opened 22 years ago with no customers and no accounts.

We were pleased to have provided to our community a further \$460,836 to over 55 community groups, which included a \$200,000 contribution to the Community Enterprise Foundation for future grants, bringing our total return to our community of \$390 Million.

With over 55 groups supported during the year it would be great to name them all, but we are particularly proud of our increased involvement in our local kindergartens and schools. KidsRoar Kinder Body Safety Program has been rolled out over 14 Bayside Kinders and Inform and Employer into 6 local primary schools. We are looking into programs that will be rolled out to local high schools in the upcoming financial year.

We were also pleased to provide \$25,000 to purchase a new vehicle for the L2P program which is a community-based program to assist eligible young Victorian learner drivers between the ages of 16 and 21 who not have access to a supervising driver, or an appropriate vehicle, gain the 120 hours required for a probationary licence. The vehicle is based outside the Sandringham Police Station.

We were very lucky to see no changes to our staff during the year which provided great stability and confidence for our clients. I am so thankful to Brooke, Julie, Anna, Erin, Oxana and Shara and their dedication

to the customers and myself. I constantly receive positive feedback from not only customers but community members and internal departments. We have a staff that I am very proud of.

I would like to express my appreciation of the Board of Directors for their continued support and guidance that greatly assists to make the bank the success it is.

I wish to acknowledge my appreciation of the support of the Bendigo and Adelaide Bank Limited, in particular our Regional Manager Kristy Marshall.

We now have a business that supports customers and community organisations in Hampton, Sandringham, Black Rock and Beaumaris and really look forward to growing our relationships and continuing to support these communities over the next 12 months.

While existing customers remain an integral part of our growth, we are really focussed on bringing new customers to the bank and as a valued shareholder would greatly appreciate your assistance in introducing to the bank your family, friends, community and business acquaintances. The product range is extensive, and we are confident of being able to offer a competitive package for banking.

A handwritten signature in black ink, appearing to read 'Matthew Gallop'. The signature is stylized and fluid.

Matthew Gallop
Branch Manager

Community contributions

Over the past year we invested over \$260,000 across over 55 groups with funding of projects including StoryDogs in local primary schools, SunSmart Umbrellas at Sandringham Croquet Club, a new L2P Car for the Bayside region and another 7 Community Accessible Defibrillators taking the total to over 20!

As always we have supported partners including Team Sports 4 All and Love Your Sister.



Community contributions (continued)



L2P Learner Driving



StoryDogs



Defibs in the community



Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

For the financial year ended 30 June 2025

The Directors present their report on Sandringham Community Financial Services Ltd for the financial year ended 30 June 2025.

Information on Directors

The names of each person who has been a director during the year and to date of the report are:

Graham Manson Ludecke OAM

Title:	Chair, Member Audit and Risk Committee, Member of Remuneration and Nomination Committee
Qualifications:	SF Fin MAICD
Experience & Expertise:	Retired Banker. Held senior banking positions with the National Australia Bank including international postings in Europe and the USA. Currently, President, Black Rock Sports Auxiliary Inc. Life Governor, Sandringham Hospital 1981. Past Directorships include Bentleigh Bayside Community Health/Connect Health, CRAA, Data Advantage Ltd, Southern Family Life, NGV Foundation, Sandringham Hospital, Australian Banking Industry Ombudsman Ltd. Past member of Alfred Health, Community Advisory Committee and Southern Health, Community Advisory Committee.

Michael John Davies

Title:	Deputy Chair, Chair Audit and Risk Committee
Qualifications:	FAIM, AMAMI
Experience & Expertise:	Formerly Group President and Director of ITW Australia, Asia Pacific and subsidiary companies. Director of Victoria Carpet Company Pty Ltd, Quest Pty Ltd, HGS Pty Ltd and Sutton Tools Pty Ltd.

Amanda May Smyth

Title:	Director, Member of Marketing and Community Engagement Committee
Qualifications:	B.Com Economics
Experience & Expertise:	15 years experience both in Australia (David Jones, Big W) and the UK (Austin Reed, Cath Kidston) in Retail Buying. Strong community focus through primary school Parents Associations and Kindergarten Committees.

Directors' report (continued)

Information on Directors (continued)

Caitlin Elizabeth Eves

Title:	Director, Chair Marketing and Community Engagement Committee
Qualifications:	B.Com (Management & Marketing) and Graduate of the Australian Institute of Company Directors Course (GAICD)
Experience & Expertise:	Over 15 years experience in Marketing, communications and strategy in global and multinational companies as well as direct consulting for small to medium businesses in financial and other sectors. Also currently Director of Strategy and customer service at FM Group Pty Ltd.

Ian Richard Siebert

Title:	Director, Chair Remuneration and Nomination Committee
Qualifications:	B Ec, Dip Tert ed, MBA
Experience & Expertise:	10 years experience as a manager and 30 years as a management consultant and Higher Education Leader, Facilitator and Coach.

Hilda Lourdes

Title:	Director, Treasurer, Member of Audit and Risk Committee
Qualifications:	CPA (Certified Public Accountant), MBA, degree in Finance and Graduate of the Australian Institute of Company Directors Course (GAICD)
Experience & Expertise:	20 years experience with Accounting, Compliance, Risk and business management.

Marlene Snow

Title:	Director, Company Secretary, Member of Marketing and Community Engagement Committee, Member of Remuneration and Nomination Committee
Qualifications:	Graduate of the Australian Institute of Company Directors Course (GAICD), MBA and Bachelor of Business
Experience & Expertise:	Over 15 years within Banking, Superannuation and Financial Services.

Leigh Petschel

Title:	Director, Chair of Audit & Risk Committee
Qualifications:	Bachelor of Commerce (University of Melbourne), Chartered Accountant (CAANZ), Graduate of the Australian Institute of Company Directors Course (GAICD)
Experience & Expertise:	Experienced executive has worked in Australia, the United Kingdom, the United States and Canada. Currently the Chief Financial Officer of the Port of Melbourne (since November 2023). Previously the Chief Financial Officer of Monash University and held General Manager and Vice President roles with Transurban in Australia and North America. Currently a Director and honorary Treasurer of the Climate Council Australia.

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' report (continued)

Meetings of Directors

During the financial year, 10 meetings of Directors (including committees of Directors) were held. Attendances by each director during the year were as follows:

	Board Meetings		Audit and Risk Committee		Community and Marketing Committee		Remuneration and Nomination Committee	
	A	B	A	B	A	B	A	B
Leigh Petschel	10	8	3	2	-	-	-	-
Graham Manson Ludecke OAM	10	10	3	3	-	-	1	1
Michael John Davies	10	9	3	-	6	5	-	-
Marlene Snow	10	8	-	-	6	5	1	1
Amanda May Smyth	10	6	-	-	6	6	-	-
Caitlin Elizabeth Eves	10	8	-	-	6	6	-	-
Ian Richard Siebert	10	9	-	-	-	-	1	1
Hilda Lourdes	10	9	3	3	-	-	-	-

Principal activities

The principal activity of Sandringham Community Financial Services Ltd during the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$306,276 (2024: \$898,022).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of \$48,800 was paid during the year as recommended in last year's report.

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The Company will continue its policy of providing banking services to the community.

Directors' report (continued)

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of Directors and Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 26 to the accounts. The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and none of the services 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 on page 11 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



Leigh Petschel
Director

Dated: 30/09/2025

Auditor's independence declaration



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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Sandringham Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Sandringham Community Financial Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh', with a horizontal line underneath.

Mahesh Silva
Principal
41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	6	2,292,260	2,543,822
Finance income	7	35,899	6,593
Other income	6	545	536
Total income		2,328,704	2,550,951
Expenses			
Employee benefit expenses	8	(689,188)	(652,963)
Depreciation and amortisation	9	(188,153)	(188,940)
Finance expenses	7.b	(21,813)	(24,186)
Impairment losses on receivables		(1,359)	(515)
Occupancy expenses		(83,745)	(50,988)
IT expenses		(31,097)	(36,304)
ATM expenses		(6,890)	(6,432)
Other expenses		(381,525)	(67,997)
Rates		(4,776)	(2,947)
Insurance		(15,168)	(12,679)
Directors fees		(33,351)	(30,676)
Total expenses		(1,457,065)	(1,074,627)
Operating profit before charitable donations and sponsorship		871,639	1,476,324
Charitable donations and sponsorship		(460,836)	(222,493)
Profit before income tax		410,803	1,253,831
Income tax	11	(104,527)	(355,809)
Profit for the year after income tax		306,276	898,022
Total comprehensive income for the year		306,276	898,022

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	95,974	1,023,089
Trade and other receivables	13	189,213	230,995
Other financial assets	14	1,686,085	651,783
Other assets	15	5,831	11,908
Total current assets		1,977,103	1,917,775
Non-current assets			
Deferred tax assets	19	44,211	32,962
Property, plant and equipment	16	168,668	197,985
Right-of-use assets	17	422,141	482,446
Intangible assets	18	763,455	842,036
Total non-current assets		1,398,475	1,555,429
Total assets		3,375,578	3,473,204
Liabilities			
Current liabilities			
Trade and other payables	20	215,994	84,780
Borrowings		(427)	(427)
Current tax liabilities	19	134,966	556,114
Lease liabilities	21	55,903	53,448
Employee benefits	8	123,117	122,075
Total current liabilities		529,553	815,990
Non-current liabilities			
Trade and other payables	20	14,464	28,928
Lease liabilities	21	393,737	449,640
Employee benefits	8	2,742	1,040
Total non-current liabilities		410,943	479,608
Total liabilities		940,496	1,295,598
Net assets		2,435,082	2,177,606
Equity			
Share capital	22	518,507	518,507
Retained earnings	23	1,916,575	1,659,099
Total equity		2,435,082	2,177,606

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity For the year ended 30 June 2025

2024	Share capital \$	Retained earnings \$	Total equity \$
Opening balance	518,507	809,877	1,328,384
Profit for the year	-	898,022	898,022
Dividends provided for or paid	-	(48,800)	(48,800)
Closing balance	518,507	1,659,099	2,177,606

2025	Share capital \$	Retained earnings \$	Total equity \$
Opening balance	518,507	1,659,099	2,177,606
Profit for the year	-	306,276	306,276
Dividends provided for or paid	-	(48,800)	(48,800)
Closing balance	518,507	1,916,575	2,435,082

The accompanying notes form part of these financial statements.

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		2,334,042	2,587,075
Payments to suppliers and employees		(1,567,900)	(1,037,476)
Dividends received		545	536
Interest paid		(21,813)	(24,186)
Interest received		35,899	6,593
Income taxes paid		(536,924)	-
Net cash flows from operating activities	24	243,849	1,532,542
Cash flows from investing activities:			
Purchase of property, plant and equipment		(19,950)	(243,344)
Payments for purchase of investments		(1,034,302)	(605,820)
Payments for intangibles		(14,464)	(14,464)
Net cash used in investing activities		(1,068,716)	(863,628)
Cash flows from financing activities:			
Proceeds from borrowings		-	(23,217)
Repayment of lease liabilities		(53,448)	(71,741)
Dividends paid		(48,800)	(48,800)
Net cash used in financing activities		(102,248)	(143,758)
Net increase/(decrease) in cash and cash equivalents		(927,115)	525,156
Cash and cash equivalents at beginning of year		1,023,089	497,933
Cash and cash equivalents at end of financial year	12	95,974	1,023,089

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2025

1. Introduction

These financial statements and notes represent those of Sandringham Community Financial Services Ltd (the Company) as an individual entity. Sandringham Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on Signing date.

Further information on the nature of the operations and principal activity of the Company is provided in the Directors' report. Information on the company's related party relationships is provided in Note 25.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a. Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Sandringham Community Bank branch.

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.

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 the relevant Bendigo Bank entity to bear as long as the Company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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.

b. 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share.	Margin, commission and fee income.	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Company; 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

ii. Margin

Margin is arrived at through the following calculation:

$$\begin{array}{r}
 \text{Interest paid by customers on loans, less interest paid to customers on deposits} \\
 \textit{plus} \\
 \text{Deposit returns (i.e. interest return applied by BABL on deposits)} \\
 \textit{minus} \\
 \text{Any costs of funds (i.e. interest applied by BABL to fund a loan)}
 \end{array}$$

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

iii. Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

iv. Fee income

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

v. 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.

vi. Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

c. Other revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month- end and paid within 14 days after month- end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

d. Employee benefits

i. Short-term Employee Benefits

Short- term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non- monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on- costs. Expenses for non- accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

ii. Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

e. Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

f. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

g. Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

h. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

i. Property, Plant & Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write- off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Leasehold improvements	Straight line	5 years
Motor vehicles	Straight line	5 years
Furniture & Fittings	Straight line	3 - 20 years

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

j. Leases

At inception of a contract, the Company assesses whether a lease exists.

i. As lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand- alone prices. However, for leases of property the company has elected not to separate lease and non- lease components and account for the lease and non- lease components as a single lease component.

The Company recognises a right- of- use asset and a lease liability at the lease commencement date. The right- of- use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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.

The right- of- use asset is subsequently depreciated using the straight- line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right- of- use asset reflects that the Company will exercise a purchase option. In that case the right- of- use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right- of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in- substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of- use asset, or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero.

ii. As lessor

The Company has not been a party in an arrangement where it is a lessor.

k. Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

i. Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

iii. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Asset Class	Method	Useful Life
Goodwill	Straight line	15 years
Franchise fee	Straight line	5 years

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

l. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub- note (i) and (ii) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash- generating unit

i. Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held- for- trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non- cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the

statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)

3. Summary of Significant Accounting Policies (continued)

m. Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECLs are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2025.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

n. Share capital

i. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

o. Issued Capital

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

p. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

q. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

4. Significant Accounting Judgements, Estimates & Assumptions

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the financial statements (continued)

4. Significant Accounting Judgements, Estimates & Assumptions (continued)

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Revenue	Whether revenue is recognised over time or at a point in time.

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Judgement
Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation.

c. Key judgments - lease classification

The Company is a party to a number of lease arrangements in relation to their premises. Review of the minimum lease payments, lease term, other terms and conditions in the lease have caused the lease to be classified as operating leases and therefore there are no entries on the statement of financial position in relation to these assets or lease liability.

5. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk.

a. 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.

b. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Notes to the financial statements (continued)

5. Financial risk management (continued)

i. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

6. Revenue and other income

a. Disaggregation of revenue from contracts with customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025 \$	2024 \$
Revenue		
Revenue from contracts with customers	2,292,260	2,543,822
Disaggregation of Revenue From Contracts With Customers		
Margin Income	2,111,946	2,334,803
Fee Income	81,683	86,836
Commission Income	98,631	122,183
Total	2,292,260	2,543,822

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

b. Other revenue

The Company generates other sources of revenue as outlined below.

	2025 \$	2024 \$
Dividends	545	536

7. Finance income and expenses

a. Finance income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025 \$	2024 \$
Interest income	35,899	6,593

b. Finance expenses

Finance costs are recognised as expenses when incurred using the effective interest rate.

	2025 \$	2024 \$
Other finance expenses	21,552	24,186

Notes to the financial statements (continued)

8. Employee benefits

a. Employee benefits expenses

Profit before income tax from continuing operations includes the following specific expenses:

	2025 \$	2024 \$
Employee benefit expenses		
Salary and wage expenses	561,653	532,915
Superannuation contributions	71,432	66,285
Other employee benefit expenses	56,103	53,763
Total	689,188	652,963

b. Provisions for employee benefits

	2025 \$	2024 \$
Current		
Long service leave	(95,771)	(88,181)
Annual leave	(27,346)	(33,894)
	(123,117)	(122,075)
Non-current		
Long service leave	(2,742)	(1,040)
Total	(125,859)	(123,115)

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

The Company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

9. Depreciation & Amortisation Expense

	2025 \$	2024 \$
Depreciation of Non-current Assets		
Plant and equipment	11,362	30,934
Leasehold improvements	37,905	18,953
Total	49,267	49,887
Amortisation of Intangible Assets		
Goodwill	64,117	64,118
Franchise fees	14,464	14,464
Total	78,581	78,582
Depreciation of Right-of-use Assets		
Leased buildings	60,305	60,471
Total	60,305	60,471
Total depreciation and amortisation expense	188,153	188,940

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(i) and 3(k) for details).

Notes to the financial statements (continued)

10. Community Investments & Sponsorship

a. Community Investments & Sponsorship

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 and grants).

	2025 \$	2024 \$
Donations and Sponsorships		
Direct Sponsorship and grant payments	460,836	220,871
Contribution to the Community Enterprise Foundation	-	1,622
Total Donations and Sponsorships	460,836	222,493

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.

b. Community Enterprise Foundation (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2025 \$	2024 \$
Disaggregation of CEF Funds		
Opening balance	584,292	685,864
Contributions paid	220,000	-
Grants paid out	(75,916)	(145,780)
Interest received	28,186	30,959
GST	4,483	13,253
Management fees incurred	-	(4)
Balance available for distribution	761,045	584,292

11. Income tax expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

a. The major components of tax expense/(income) comprise:

	2025 \$	2024 \$
Components of Tax Expense		
Current tax expense	134,966	340,163
Deferred tax expense	(11,249)	15,646
Over provision in respect to prior years	(19,190)	-
Total	104,527	355,809

Notes to the financial statements (continued)

11. Income tax expense (continued)

b. Reconciliation of income tax to accounting profit:

	2025 \$	2024 \$
Profit for the year	410,803	1,253,831
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	102,701	313,458
Add tax effect of:		
Movement in deferred tax	16,029	15,646
Temporary differences	16,237	10,675
Non-deductible expenses	-	16,030
Movement in deferred tax	(11,249)	-
Over provision for income tax in prior year	(19,190)	-
	1,827	42,351
Income tax attributable to the entity	104,528	355,809
Income tax expense	104,528	355,809
Weighted average effective tax rate (%)	25	28

12. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

	2025 \$	2024 \$
Cash at bank	95,974	1,023,089
Total	95,974	1,023,089

13. Trade and other receivables

	2025 \$	2024 \$
Trade receivables		
Accrued Income	189,213	230,995
Total	189,213	230,995

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Notes to the financial statements (continued)

14. Financial Assets

	2025 \$	2024 \$
At amortised cost		
Term Deposits	1,678,239	643,937
At FVTPL		
Listed investments	7,846	7,846
Total	1,686,085	651,783

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

15. Other assets

	2025 \$	2024 \$
Prepayments		
Prepaid Expenses	5,831	11,908
Total	5,831	11,908

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

16. Property, plant and equipment

a. Property, plant and equipment details

	2025 \$			2024 \$		
	At Cost / Valuation	Accumulated Depreciation	Total	At Cost / Valuation	Accumulated Depreciation	Total
Leasehold Improvements	209,476	(75,810)	133,666	189,526	(37,905)	151,621
Furniture & Fittings	215,121	(212,410)	2,711	215,121	(211,811)	3,310
Motor Vehicles	53,818	(21,527)	32,291	53,818	(10,764)	43,054
TOTAL	478,415	(309,747)	168,668	458,465	(260,480)	197,985

b. Movement in Carrying Amounts

2025	Furniture, fixtures and fittings \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Opening carrying value	3,310	43,054	151,621	197,985
Additions	-	-	19,950	19,950
Depreciation expense	(599)	(10,763)	(37,905)	(49,267)
Total	2,711	32,291	133,666	168,668

Notes to the financial statements (continued)

16. Property, plant and equipment (continued)

2024	Furniture, fixtures and fittings \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Opening carrying value	4,528	-	-	4,528
Additions	-	53,818	189,526	243,344
Depreciation expense	(1,218)	(10,764)	(37,905)	(49,887)
Total	3,310	43,054	151,621	197,985

c. Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

d. Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings, plant and equipment.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination

options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2025 \$			2024 \$		
	At Cost / Valuation	Accumulated Depreciation	Total	At Cost / Valuation	Accumulated Depreciation	Total
Leased Buildings	603,058	(180,917)	422,141	603,058	(120,612)	482,446
TOTAL	603,058	(180,917)	422,141	603,058	(120,612)	482,446

Movements in carrying amounts

	Leased Buildings \$	Total ROU Assets \$
Opening balance	482,446	482,446
Depreciation Expense	(60,305)	(60,305)
Net carrying amount	422,141	422,141

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2025 \$	2024 \$
Depreciation of right-of-use assets	60,305	60,471

Notes to the financial statements (continued)

18. Intangible assets

a. Intangible asset details

	2025 \$			2024 \$		
	At Cost	Accumulated Amortisation	Total	At Cost	Accumulated Amortisation	Total
Franchise Fee	72,320	(40,877)	31,443	72,320	(26,413)	45,907
Goodwill	961,767	(229,755)	732,012	961,767	(165,638)	796,129
TOTAL	1,034,087	(270,632)	763,455	1,034,087	(192,051)	842,036

b. Movement in carrying amounts

2025	Goodwill \$	Franchise Fees \$	Total \$
Title			
Opening balance	796,129	45,907	842,036
Additions	-	-	-
Disposals	-	-	-
Amortisation	(64,117)	(14,464)	(78,581)
Total	732,012	31,443	763,455

2024	Goodwill \$	Franchise Fees \$	Total \$
Opening balance	860,247	60,371	920,618
Additions	-	-	-
Disposals	-	-	-
Amortisation	(64,118)	(14,464)	(78,582)
Closing balance	796,129	45,907	842,036

19. Tax assets and liabilities

a. Current Tax

	2025 \$	2024 \$
Current tax liabilities		
Income tax payable	134,966	556,114

Notes to the financial statements (continued)

19. Tax assets and liabilities (continued)

b. Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 \$	Recognised in P&L \$	30 June 2025 \$
Deferred Tax Assets			
- Right of use assets	5,161	1,713	6,874
- Employee provisions	30,778	687	31,465
- Property, plant & equipment	-	7,330	7,330
Total deferred tax assets	35,939	9,730	45,669
Deferred Tax Liabilities			
- Prepayment	(2,977)	1,519	(1,458)
Total deferred tax liabilities	(2,977)	1,519	(1,458)
Net deferred tax assets/(liabilities)	32,962	11,249	44,211

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P&L \$	30 June 2024 \$
Deferred Tax Assets			
- Undeducted donations	10,573	(10,573)	
- Right of use assets	7,978	(2,817)	5,161
- Employee provisions	30,384	394	30,778
Total deferred tax assets	48,935	(12,996)	35,939
Deferred Tax Liabilities			
- Prepayment	(327)	(2,650)	(2,977)
Total deferred tax liabilities	(327)	(2,650)	(2,977)
Net deferred tax assets/(liabilities)	48,608	(15,646)	32,962

20. Trade and other payables

	2025 \$	2024 \$
Current		
Trade payables	180,194	54,802
GST payable/(receivable)	21,336	15,514
Franchise fees payable	14,464	14,464
Total	215,994	84,780
Non-current		
Franchise Fee Payable	14,464	28,928
Total non-current trade and other payables	14,464	28,928

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

21. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

a. Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Sandringham Branch	The lease agreement is a non-cancellable lease with an initial term of 13 years which commenced in July 2019. There has been a variation to the lease from 1 July 2022 which has a term of 5 years and one further 5 years extension available.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

b. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 \$	2024 \$
Current	55,903	53,448
Non-current	393,737	449,640
Total lease liabilities	449,640	503,088

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows:

	Minimum lease payments due				Total \$
	< 1 Year	1- 2 Years	3 - 5 Years	> 5 Years	
30 June 2025					
Lease payments	75,000	75,000	225,000	150,000	525,000
Finance charges	(19,097)	(16,528)	(33,010)	(6,725)	(75,360)
Total	55,903	58,472	191,990	143,275	449,640
30 June 2024					
Lease payments	75,000	75,000	225,000	225,000	600,000
Finance charges	(21,442)	(19,097)	(41,443)	(14,930)	(96,912)
Total	53,558	55,903	183,557	210,070	503,088

Notes to the financial statements (continued)

22. Issued capital

a. Issued capital summary

	2025		2024	
	No.	\$	No.	\$
Ordinary shares - fully paid	610,008	518,507	610,008	518,507

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

b. Share capital movements

	2025 \$	2024 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	518,507	518,507
At the end of the reporting period	518,507	518,507

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

23. Retained Earnings

	2025 \$	2024 \$
Opening balance		
Balance at the beginning of the reporting period	1,659,098	809,877
Profit for the year	306,276	898,022
Dividend paid	(48,800)	(48,800)
Balance at the end of the reporting period	1,916,574	1,659,099

24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025 \$	2024 \$
Profit for the year	306,276	898,022
Add / (less) non-cash items:		
Depreciation and amortisation	188,153	188,940
Changes in assets and liabilities:		
(increase) / decrease in trade and other receivables	41,782	43,253
(increase) / decrease in prepayments and other assets	6,077	(10,602)
increase / (decrease) in deferred tax assets	(11,249)	15,646
increase / (decrease) in trade and other payables	131,214	55,746
increase / (decrease) in current tax liabilities	(421,148)	340,163
increase / (decrease) in provisions	2,740	1,374
Cash flows from operations	243,845	1,532,542

Notes to the financial statements (continued)

25. Related Parties

a. Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company.

b. Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

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

c. Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

d. Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	\$
Gallop Services	Cleaning Services	7,800
Alalo Pty Ltd	Accounting Services	11,639
Cait Eves	Marketing Services	53,400

e. Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

f. Other Key management Transactions

There have been no other transactions key management or related parties other than those described above.

26. Auditor's Remuneration

The appointed auditor of Sandringham Community Financial Services Limited for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,600	6,200
Total	6,600	6,200
Non-Audit Services		
Preparation of the financial statements	2,650	2,500
Other non-audit services	1,920	1,800
Total	4,570	4,300
Total auditor's remuneration	11,170	10,500

Notes to the financial statements (continued)

27. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	Number of shares 2025	2025 \$	2024	2024 \$
The following dividends were declared and paid:				
Fully franked ordinary dividends	610,008	48,800	610,008	48,800

Franked dividends declared or paid during the year were franked at the tax rate of 25%. (2024: 25%)

28. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted- average number of ordinary shares outstanding.

	2025 \$	2024 \$
Profit attributable to ordinary shareholders (\$)	306,276	898,022
Weighted average number of ordinary shares (Number)	610,008	610,008
Basic and diluted earnings per share (Cents)	50	147

29. Events occurring after the reporting date

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

30. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 16(c). Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

In the opinion of the Directors, the Company did not have any contingencies requiring disclosure at 2025 (2024: None).

31. Statutory information

The registered office and principal place of business of the Company is:

Sandringham Community Financial Services Ltd.
75 Station Street, Sandringham, VIC 3191.

32. Fair value measurement

The Company may measure some of its assets and liabilities at fair value on either a recurring or non- recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

Notes to the financial statements (continued)

32. Fair value measurement (continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Other financial assets
 - Listed investments

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

2025	Level 1 \$	Total \$
Recurring fair value measurements		
<i>Other financial assets</i>		
Listed investments	7,846	7,846
Bank loans	-	-
Total	7,846	7,846

2024	Level 1 \$	Total \$
Recurring fair value measurements		
<i>Other financial assets</i>		
Listed investments	7,846	7,846
Total	7,846	7,846

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

b. Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Notes to the financial statements (continued)

32. Fair value measurement (continued)

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Directors' declaration

In the Directors opinion:

In accordance with a resolution of the Directors of Sandringham Community Financial Services Ltd, we state that:

In the opinion of the Directors:

- The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - giving 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; and
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- The information disclosed in the attached consolidated entity disclosure statement, on page 40 is true and correct

This declaration is made in accordance with a resolution of the Board of Directors.



Leigh Petschel
Director

Dated: 30/09/2025

Consolidated Entity Disclosure Statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Sandringham Community Financial Services Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDRINGHAM COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Sandringham Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (iii) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (iv) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.



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Other Information

Those charged with governance 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 2024, 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 do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained 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.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh Silva', written over a horizontal line.

Mahesh Silva

Partner

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

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