

Shoalhaven Community Financial Services Ltd

ABN 77 128 253 065

Annual Report - 30 June 2025

Shoalhaven Community Financial Services Ltd

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30 June 2025

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General information

The financial statements cover Shoalhaven Community Financial Services Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Shoalhaven Community Financial Services Ltd's functional and presentation currency.

Shoalhaven Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

98 Kinghorne Street, NOWRA, NSW 2541

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2025. The directors have the power to amend and reissue the financial statements.

Shoalhaven Community Financial Services Ltd
Directors' report
30 June 2025

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

Directors

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

Antony Morris
Gary Tearle
Kelvin Taylor
Deborah Wooley
Robert Hay
Ann Sudmalis

Principal activities

The principal activity of the Company during the financial year was providing **Community Bank®** services under management rights to operate a franchised branch of the Bendigo and Adelaide Bank Limited.

No significant change in the nature of these activities occurred during the year.

Dividends

Dividends paid/payable during the financial year were as follows:

	2025 \$	2024 \$
Final dividend for the year ended 30 June 2025: of 10 cents per ordinary share	84,440	-
Interim dividend for the year ended 30 June 2025: 5 cents per ordinary share	42,220	-
Interim dividend for the year ended 30 June 2024: 2 cents per ordinary share	-	16,888
	<u>126,660</u>	<u>16,888</u>

Review of operations

The profit for the company after providing for income tax amounted to \$327,078 (30 June 2024: \$327,528).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

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

Shoalhaven Community Financial Services Ltd
Directors' report
30 June 2025

Information on directors

Name: Antony Morris
Title: Director
Qualifications: Fellow Australian Institute of Company Directors, Fellow Managers and Leaders Institute, Military qualification in Strategy and Leadership
Special responsibilities: **Chairperson**
Interests in shares: Nil

Name: Gary Tearle
Title: Director
Qualifications: Teacher (retired)
Special responsibilities: Finance and Audit Committee
Interests in shares: 1,000 Ordinary shares

Name: Kelvin Taylor
Title: Director
Qualifications: Bachelor of Arts (Visual Communication)
Special responsibilities: Marketing Committee
Interests in shares: Nil

Name: Deborah Wooley
Title: Director
Qualifications: Bachelor of Business, Member of CA ANZ
Special responsibilities: Finance and Audit Committee Marketing and HR committee
Interests in shares: Nil

Name: Robert Hay
Title: Director
Qualifications: Associate Degree - Arts, Bachelor of Public Relations (minor in Psychology), Enrolled Nurse
Interests in shares: Nil

Name: Ann Sudmalis
Title: Director
Qualifications: Bachelor of Science, Masters and Diploma of Education, Member of AICD
Interests in shares: Nil

Company secretary

The company secretary is Jane Fisher. Jane was appointed to the position of secretary on 25 November 2015.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board Attended	Held
Antony Morris	8	8
Gary Tearle	5	8
Kelvin Taylor	4	8
Deborah Wooley	3	8
Robert Hay	7	8
Ann Sudmalis	8	8

Held: represents the number of meetings held during the time the director held office.

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Gary Tearle	1,000	-	-	-	1,000
	1,000	-	-	-	1,000

Loans to directors and executives

There were no loans to key management personnel during the current or prior reporting period.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration

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

Auditor

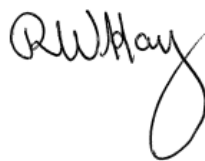
Daley Audit continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Antony Morris
Chairperson



Robert Hay
Director

30 September 2025

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Shoalhaven Community Financial Services Limited**

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

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

Daley & Co.
Daley & Co
Chartered Accountants

Michael Mundt
Michael Mundt
Partner

Wollongong

30 September 2025

Liability limited by a scheme approved under Professional Standards Legislation

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Professional Standards
Legislation



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

	Note	2025 \$	2024 \$
Revenue	3	1,239,163	1,180,994
Interest revenue		27,808	6,163
Expenses			
Employee benefits expense		(418,673)	(380,232)
Depreciation and amortisation expense		(77,224)	(75,330)
Administration expenses		(257,690)	(214,303)
Information technology expenses		(22,109)	(18,000)
Occupancy expenses		(13,274)	(19,854)
Other expenses		(12,416)	(12,053)
Finance costs		(13,412)	(16,241)
Profit before income tax expense		452,173	451,144
Income tax expense	4	(125,095)	(123,616)
Profit after income tax expense for the year attributable to the owners of Shoalhaven Community Financial Services Ltd	19	327,078	327,528
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Shoalhaven Community Financial Services Ltd		<u>327,078</u>	<u>327,528</u>
		Cents	Cents
Basic earnings per share	28	38.73	38.79
Diluted earnings per share	28	38.73	38.79

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

Shoalhaven Community Financial Services Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	311,570	340,593
Trade and other receivables	6	93,803	105,863
Financial assets	7	771,270	350,000
Other	9	7,825	14,565
Total current assets		<u>1,184,468</u>	<u>811,021</u>
Non-current assets			
Property, plant and equipment	10	108,423	51,318
Right-of-use assets	8	118,671	167,850
Intangibles	11	46,001	61,335
Deferred tax	12	4,884	7,164
Total non-current assets		<u>277,979</u>	<u>287,667</u>
Total assets		<u>1,462,447</u>	<u>1,098,688</u>
Liabilities			
Current liabilities			
Trade and other payables	13	91,974	56,230
Lease liabilities	14	45,635	41,347
Income tax	4	112,357	-
Employee benefits	15	19,131	13,159
Provisions	16	73,012	10,007
Other	17	15,334	15,334
Total current liabilities		<u>357,443</u>	<u>136,077</u>
Non-current liabilities			
Lease liabilities	14	79,521	124,999
Employee benefits	15	2,719	1,588
Provisions	16	23,293	21,638
Other	17	15,334	30,667
Total non-current liabilities		<u>120,867</u>	<u>178,892</u>
Total liabilities		<u>478,310</u>	<u>314,969</u>
Net assets		<u>984,137</u>	<u>783,719</u>
Equity			
Issued capital	18	844,400	844,400
Retained profits/(accumulated losses)	19	<u>139,737</u>	<u>(60,681)</u>
Total equity		<u>984,137</u>	<u>783,719</u>

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

Shoalhaven Community Financial Services Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	844,400	(371,321)	473,079
Profit after income tax expense for the year	-	327,528	327,528
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	327,528	327,528
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 20)	-	(16,888)	(16,888)
Balance at 30 June 2024	844,400	(60,681)	783,719
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	844,400	(60,681)	783,719
Profit after income tax expense for the year	-	327,078	327,078
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	327,078	327,078
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 20)	-	(126,660)	(126,660)
Balance at 30 June 2025	844,400	139,737	984,137

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

Shoalhaven Community Financial Services Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,380,594	1,286,515
Payments to suppliers and employees (inclusive of GST)		(795,323)	(836,280)
		585,271	450,235
Interest received		21,691	-
Other revenue		(2,867)	-
Interest and other finance costs paid		(13,412)	(16,241)
Income taxes paid		(10,458)	-
Net cash from operating activities	27	583,711	433,994
Cash flows from investing activities			
Payments for investments		(421,270)	(350,000)
Payments for property, plant and equipment	10	(71,285)	(34,874)
Payments for intangibles	11	(15,334)	(15,334)
Net cash used in investing activities		(507,889)	(400,208)
Cash flows from financing activities			
Proceeds/(repayment) of leases		(41,190)	22,287
Dividends paid	20	(63,655)	(6,881)
Net cash from/(used in) financing activities		(104,845)	15,406
Net increase/(decrease) in cash and cash equivalents		(29,023)	49,192
Cash and cash equivalents at the beginning of the financial year		340,593	291,401
Cash and cash equivalents at the end of the financial year	5	311,570	340,593

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

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Material accounting policy information (continued)

Specific revenue stream

The Company recognises revenue from the following major source providing Community Bank® branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Provision of branch services

Revenue from the provision of branch services is recognised over the period in which the services are rendered. The contract for branch services are subject to a formal franchise agreement.

The agreement includes an enforceable right for the Company to receive payment for work performed to date based on the services provided based upon observable data and therefore the criteria for recognition of revenue over time is met.

The Company's payment terms are 30 days from the end of the month and accordingly there is no financing element to the services provided.

At the end of each month, the Company recognises a receivable as this represents the point in time at which the Company's right to consideration becomes unconditional as a Recipient Created Tax invoice (or equivalent) accompanies the services provided, as only the passage of time is required before payment is due.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Note 1. Material accounting policy information (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 1. Material accounting policy information (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

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

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

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Computer equipment	2-3 years

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

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

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

Note 1. Material accounting policy information (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1. Material accounting policy information (continued)

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

Note 1. Material accounting policy information (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Shoalhaven Community Financial Services Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Incremental borrowing rate

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 3. Revenue

	2025 \$	2024 \$
<i>Revenue from contracts with customers</i>		
Margin income	1,088,500	1,033,491
Commission Income	111,009	76,763
Fee income	39,035	43,050
	<u>1,238,544</u>	<u>1,153,304</u>
<i>Other revenue</i>		
Revaluation of lease liability	619	27,690
Revenue	<u><u>1,239,163</u></u>	<u><u>1,180,994</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025 \$	2024 \$
<i>Timing of revenue recognition</i>		
at a point in time	1,143,847	1,094,352
over time	94,697	58,952
	<u><u>1,238,544</u></u>	<u><u>1,153,304</u></u>

Note 4. Income tax

	2025 \$	2024 \$
<i>Prima-facie reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	452,173	451,144
Tax at the statutory tax rate of 25%	113,043	112,786
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	3,834	3,834
Entertainment expenses	159	693
Non deductible donations	7,395	13,223
Non deductible interest	3,145	3,451
Other allowable deductions	(2,481)	(6,922)
	125,095	127,065
Current year temporary differences	-	(3,449)
Income tax expense	125,095	123,616
	2025 \$	2024 \$
<i>Provision for income tax</i>		
Provision for income tax	112,357	-

Note 5. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash at bank	311,570	340,593

Note 6. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	81,523	99,700
Interest receivable	12,280	6,163
	93,803	105,863

Note 7. Financial assets

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	157,130	150,000
Managed funds - Sandhurst	614,140	200,000
	<u>771,270</u>	<u>350,000</u>

Note 8. Right-of-use assets

	2025 \$	2024 \$
<i>Non-current assets</i>		
Leased building - right-of-use	238,316	239,783
Less: Accumulated depreciation	<u>(119,645)</u>	<u>(71,933)</u>
	<u>118,671</u>	<u>167,850</u>

Reconciliations

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

	Kinghorne Street \$	Total \$
Balance at 1 July 2023	129,902	129,902
Additions	58,212	58,212
Revaluation increments	27,690	27,690
Depreciation expense	<u>(47,954)</u>	<u>(47,954)</u>
Balance at 30 June 2024	167,850	167,850
Revaluation decrements	(1,767)	(1,767)
Depreciation expense	<u>(47,412)</u>	<u>(47,412)</u>
Balance at 30 June 2025	<u>118,671</u>	<u>118,671</u>

Note 9. Other

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	<u>7,825</u>	<u>14,565</u>

Note 10. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	302,379	302,379
Less: Accumulated depreciation	(271,221)	(264,067)
	<u>31,158</u>	<u>38,312</u>
 Plant and equipment - at cost	 36,680	 29,701
Less: Accumulated depreciation	(27,540)	(25,640)
	<u>9,140</u>	<u>4,061</u>
 Motor vehicles - at cost	 64,304	 -
Less: Accumulated depreciation	(2,709)	-
	<u>61,595</u>	<u>-</u>
 Computer equipment - at cost	 28,330	 28,330
Less: Accumulated depreciation	(21,800)	(19,385)
	<u>6,530</u>	<u>8,945</u>
	<u>108,423</u>	<u>51,318</u>

Reconciliations

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

	Plant & equipment \$	Computer equipment \$	Leasehold improvements \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	6,075	1,106	53,393	-	60,574
Additions	-	10,254	-	-	10,254
Disposals	-	-	(7,468)	-	(7,468)
Depreciation expense	(2,014)	(2,415)	(7,613)	-	(12,042)
Balance at 30 June 2024	4,061	8,945	38,312	-	51,318
Additions	6,979	-	-	64,304	71,283
Depreciation expense	(1,900)	(2,415)	(7,154)	(2,709)	(14,178)
Balance at 30 June 2025	<u>9,140</u>	<u>6,530</u>	<u>31,158</u>	<u>61,595</u>	<u>108,423</u>

Note 11. Intangibles

	2025 \$	2024 \$
<i>Non-current assets</i>		
Other intangible assets - at cost	76,669	76,669
Less: Accumulated amortisation	(30,668)	(15,334)
	<u>46,001</u>	<u>61,335</u>

Reconciliations

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

	Franchise fee \$	Total \$
Balance at 1 July 2023	76,669	76,669
Amortisation expense	(15,334)	(15,334)
Balance at 30 June 2024	61,335	61,335
Amortisation expense	(15,334)	(15,334)
Balance at 30 June 2025	<u>46,001</u>	<u>46,001</u>

Note 12. Deferred tax

	2025 \$	2024 \$
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	-	8,245
Prepayments	(1,956)	(3,641)
Property, plant and equipment	(7,696)	(9,338)
Employee benefits	5,462	3,687
Rights of use assets	(29,668)	(41,962)
Leases	31,289	41,586
Provision for lease make good	5,824	5,409
Accrued expenses	4,699	4,719
Receivables	(3,070)	(1,541)
Deferred tax asset	<u>4,884</u>	<u>7,164</u>

Note 13. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade and other payables	57,988	56,230
BAS payable	33,986	-
	<u>91,974</u>	<u>56,230</u>

Refer to note 21 for further information on financial instruments.

Note 14. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Lease liability - Rights-of-use	<u>45,635</u>	<u>41,347</u>
<i>Non-current liabilities</i>		
Lease liability - Rights-of-use	<u>79,521</u>	<u>124,999</u>
	<u>125,156</u>	<u>166,346</u>

Statement of Profit of Loss and other Comprehensive Income

	2025	2024
	\$	\$
<i>The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:</i>		
Interest expense on lease liabilities	10,924	13,802
Depreciation charge related to right-of-use asset	<u>47,712</u>	<u>47,954</u>
	<u>58,636</u>	<u>61,756</u>

Statement of cash flows

	2025	2024
Total cash outflows for leases	<u>49,317</u>	<u>36,948</u>

Note 15. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	19,131	13,159
<i>Non-current liabilities</i>		
Long service leave	2,719	1,588
	<u>21,850</u>	<u>14,747</u>

Note 16. Provisions

	2025 \$	2024 \$
<i>Current liabilities</i>		
Dividends	73,012	10,007
<i>Non-current liabilities</i>		
Lease make good	23,293	21,638
	<u>96,305</u>	<u>31,645</u>

Note 17. Other

	2025 \$	2024 \$
<i>Current liabilities</i>		
Accrued expenses - franchise fees	15,334	15,334
<i>Non-current liabilities</i>		
Accrued expenses - franchise fees	15,334	30,667
	<u>30,668</u>	<u>46,001</u>

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>844,400</u>	<u>844,400</u>	<u>844,400</u>	<u>844,400</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 18. Issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

	2025	2024
	\$	\$
Total borrowings, trade and other payables	360,155	269,577
Less cash on hand	(311,570)	(340,593)
Less cash on deposit	(771,270)	(150,000)
	<u>(722,685)</u>	<u>(221,016)</u>
Total capital	<u>844,400</u>	<u>844,400</u>

Note 19. Retained profits/(accumulated losses)

	2025	2024
	\$	\$
Accumulated losses at the beginning of the financial year	(60,681)	(371,321)
Profit after income tax expense for the year	327,078	327,528
Dividends paid (note 20)	<u>(126,660)</u>	<u>(16,888)</u>
Retained profits/(accumulated losses) at the end of the financial year	<u>139,737</u>	<u>(60,681)</u>

Note 20. Dividends

Dividends paid/payable during the financial year were as follows:

	2025 \$	2024 \$
Final dividend for the year ended 30 June 2025: of 10 cents per ordinary share	84,440	-
Interim dividend for the year ended 30 June 2025: 5 cents per ordinary share	42,220	-
Interim dividend for the year ended 30 June 2024: 2 cents per ordinary share	-	16,888
	<u>126,660</u>	<u>16,888</u>

Note 21. Financial instruments

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and ageing analysis for credit risk.

Risk management is carried out by the Board ('the Board') under policies approved. These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the company's operating units. Finance reports to the Board on a monthly basis.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	2025 \$	2024 \$
Financial assets		
- cash and cash equivalents	311,570	340,593
- accounts receivable and other debtors	93,803	105,863
- term deposits	157,130	150,000
- managed funds	614,140	200,000
Total financial assets	<u>1,176,643</u>	<u>796,456</u>
Financial liabilities		
- accounts and other payables	311,808	94,730
- lease liabilities	45,635	166,346
	<u>357,443</u>	<u>261,076</u>

Market risk

Price risk

The company is not exposed to any significant price risk.

Note 21. Financial instruments (continued)

Interest rate risk

The company is not exposed to any significant interest rate risk.

Credit risk

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Carrying amount		Allowance for expected credit losses	
	2025	2024	2025	2024
	\$	\$	\$	\$
Not overdue	93,803	105,863	-	-

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Directors

The following persons were directors of Shoalhaven Community Financial Services Ltd during the financial year:

Antony Morris
Gary Tearle
Kelvin Taylor
Deborah Wooley
Robert Hay
Ann Sudmalis

There were no payments made to key management personnel during the year.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Daley Audit , the auditor of the company:

	2025	2024
	\$	\$
Audit services - Audit or review of the financial statements	13,965	14,325

Note 24. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Shares held by key management personnel

The number of ordinary shares in the Company during the 2025 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

	2025 \$	2024 \$
Director shareholdings		
Gary Tearle	1,000	1,000

Receivable from and payable to related parties

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

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Economic dependency

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

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" the logo and systems of operation of Bendigo and Adelaide Bank Limited. The Company manages the Community Bank branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branch is effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

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

Note 26. Events after the reporting period

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

Note 27. Reconciliation of profit after income tax to net cash from operating activities

	2025	2024
	\$	\$
Profit after income tax expense for the year	327,078	327,528
Adjustments for:		
Depreciation and amortisation	77,224	75,330
Revaluation of leases/right of use assets	1,467	(85,904)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	12,060	(12,823)
Decrease in deferred tax assets	2,280	123,616
Decrease in prepayments	6,740	5,473
Decrease in other operating assets	2	32,090
Increase/(decrease) in trade and other payables	35,744	(27,217)
Increase in provision for income tax	112,357	-
Increase/(decrease) in employee benefits	7,104	(5,636)
Increase in other provisions	1,655	1,537
Net cash from operating activities	<u>583,711</u>	<u>433,994</u>

Note 28. Earnings per share

	2025	2024
	\$	\$
Profit after income tax attributable to the owners.	<u>327,078</u>	<u>327,528</u>
	Number	Number
Weighted average ordinary shares used in calculating basic earnings per share	<u>844,400</u>	<u>844,400</u>
Weighted average ordinary shares used in calculating diluted earnings per share	<u>844,400</u>	<u>844,400</u>
	Cents	Cents
Basic earnings per share	38.73	38.79
Diluted earnings per share	38.73	38.79

Shoalhaven Community Financial Services Ltd
Directors' declaration
30 June 2025

In the directors' opinion:

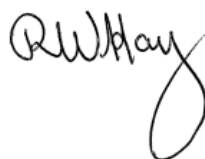
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with Australian Accounting Standards which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS)
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of directors.

On behalf of the directors



Antony Morris
Chairperson



Robert Hay
Director

30 September 2025



**Independent Audit Report
to the members of Shoalhaven Community Financial Services Limited**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shoalhaven Community Financial Services Limited ("the Company") which comprises the statement of financial position as at 30 June 2025, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year ended; 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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ABN 43 152 84 4 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



CHARTERED ACCOUNTANTS

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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 4 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Shoalhaven Community Financial Services Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


Daley & Co
Chartered Accountants


Michael Murdt
Partner

Wollongong

30 September 2025

Liability limited by a scheme approved under Professional Standards Legislation

Shoalhaven Community Financial Services Ltd
Consolidated entity disclosure statement
As at 30 June 2025

Shoalhaven Community Financial Services Ltd does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.