

Annual Report 2025

Stonnington Community
Financial Services Ltd

Community Bank
Windsor

ABN 31 099 416 092

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Chair's report

For year ending 30 June 2025

Dear Shareholders,

It is with a deep sense of pride and gratitude that I deliver my first Chair's Report for the Stonnington Community Financial Services Limited.

As I write about the activities and progress achieved during the financial year 2024 to 2025, I do so in light of the subsequent decisions taken by shareholders at the Extraordinary General Meeting held on 18 September 2025.

This year has marked a significant turning point in our journey. Following careful consideration, consultation, and analysis, the Board made the difficult but necessary decision backed by our shareholders to consolidate our business with Caulfield Park Financial Services Limited (CPFSL) who operate Community Bank Caulfield Park and commence the process of winding up the Company.

This decision was not taken lightly. It reflects the broader realities facing local branches across Australia as the banking industry continues its rapid shift towards digital platforms. Despite our efforts to adapt and innovate, maintaining the long-term viability of Community Bank Windsor became increasingly challenging. In the face of this, the Board chose a path that upholds the values, integrity, and community focus that have always defined our operations.

Closing with Purpose and Integrity

As we prepare to finalise the wind-up of operations, we remain committed to seeing this process through with care, clarity, and integrity by:

- Returning capital to our shareholders in a fair and timely manner
- Meeting all regulatory and operational obligations with professionalism
- And directing any surplus funds to support local charitable initiatives, ensuring our legacy continues to serve the community even as we close our doors

We also remain committed to supporting our staff through the transition and are pleased that some of our team members will have the opportunity to continue their work by moving to the Community Bank Caulfield Park to ensure continuity and retain valuable experience within the broader network.

Community Bank Caulfield Park will maintain our strong connection to our community through their grants and sponsorship program. The CPFSL Board and their branch have very deep roots in their community and have contributed over \$4 million in their 20 years.

Celebrating 22 Years of Community Impact

While this marks the end of our business operations, it also provides a moment to honour over two decades of community impact.

This year, we contributed a further \$92,000 to our community and a further \$40,000 to the Community Enterprise Foundation to ensure our future impact to our community. That figure is not just a number - it represents lives touched, projects made possible, and a sustained belief in the power of local action.

I'd like to acknowledge the outstanding dedication of our branch team, Jawad Beedar, Tom Del Giudice, Anita Badri, Oscar Kirkwood-Burr, and Manish Gupta, for your unwavering commitment to customer service and community engagement.

To my fellow Board members, Charlotte Rendle-Short (Company Secretary), Warrick King (Treasurer), Jon Caneva, Eileen Macken, Christine Fitzpatrick, Anusha Santhiappillai, Jemima Joseph and Anja Barisic - thank you for your wisdom, resilience, and integrity as always and especially throughout this transition.

Chair's report (continued)

A special commendation goes to the legendary Jon Caneva, whose involvement over 24 years, starting with the steering committee and continuing as our inaugural Chair and long-serving Treasurer, has been foundational to our existence and success.

To the Bendigo and Adelaide Bank team, especially most recently Craig Taylor and Rohan Sadler, we thank you for your support, leadership, and alignment with our values.

Final Reflections

Stepping into the Chair role has been both a privilege and a challenge. I am proud of the way we have navigated this new chapter for our board and branch team, with honesty, accountability, and community focus.

To our shareholders, Community Partners, and customers: thank you. Your trust and support have sustained us for 22 years. While this chapter closes, the impact of Community Bank Windsor will be felt long into the future.

Thank you for being part of our journey.



Lee Chia

Chair

Stonnington Community Financial Services Limited

Manager's report

For year ending 30 June 2025

Dear Shareholders,

As we conclude the 2024–25 financial year, and my final year as Branch Manager of the Community Bank Windsor, I do so with both pride in our accomplishments and a deep sense of reflection on the journey we've shared.

This year has marked a significant transition in the life of Stonnington Community Financial Services Ltd. As outlined in the Chair's report, the decision by shareholders at the Extraordinary General Meeting in September 2025 to consolidate with Caulfield Park Financial Services Limited and begin winding up our company was not made lightly. It was the result of careful consideration of the evolving banking landscape and our desire to act with integrity, foresight, and a continued commitment to our community.

In light of this decision, I would like to take this opportunity to acknowledge the exceptional efforts of our branch team during this important chapter. My heartfelt thanks go to Anita, Oscar, Manish and Tom for their professionalism, customer care, and unwavering support.

Throughout this final year, our team has remained focused on serving our customers with the same dedication that has defined our 22-year presence on Chapel Street. Despite the broader challenges facing local branches across Australia, I'm proud of what we achieved together:

- **\$92,000** was invested back into the local community through our partnership program
- **An additional \$40,000** was contributed to the Community Enterprise Foundation to ensure that our legacy of community support continues well into the future
- We close our doors having returned more than **\$2 million** to our local community since inception — a lasting impact that speaks volumes about our purpose.

As the branch winds down, I'm pleased that some of our team will transition to roles at Community Bank Caulfield Park, ensuring continuity of service and retaining valuable experience within the network.

While this marks the end of our local operations, it is also an opportunity to honour the relationships we've built – with our customers, our community partners, our Board, and each other. I extend my gratitude to the entire Board for their support, wisdom, and leadership, especially during this period of change.

To our shareholders and customers – thank you for your belief in the Community Bank model and in the power of local investment. It has been an honour to serve as your Branch Manager.

With respect and gratitude,



Jawad Beedar
Branch Manager

Treasurer's report

For year ending 30 June 2025

Dear Shareholders,

I have great pleasure in reporting the financial results for 2025.

This year we made community contributions in the form of grants and sponsorship totalling \$82,044. The total of community contributions over the past 23 years to 30 June 2025 is \$1,970,829. We expect the total community contributions to be close to \$2 million by the close of the next round of grants and sponsorships.

The branch team has however been operating in an increasingly difficult banking and reducing interest rate environment. In such an environment, the branch team has done a wonderful job to maintain year on year margins, with a slight reduction in commission and fee income.

The financials this year show total income of \$1,198,347 and an operating profit (including bank interest) before tax of \$219,034, with the main contributor to the slight increases in expenses being additional branch security costs incurred during the year. The operating profit is after community grants and sponsorships.

I write this report however, as referred to in the Chair's report, after the Extraordinary General Meeting ("EGM") held on 18 September 2025 approved the sale of Stonnington Community Financial Services Ltd's ("SCFSL") business to Caulfield Park Financial Services Limited ("CPFSL"), effective 31 October 2025. This financial report reflects the financial position of SCFSL at 30 June 2025 and has been prepared on a going concern basis and was lodged before the EGM. The results of the EGM are an important post-reporting development for SCFSL and are outside the scope of the audited numbers.

The effect of passing the EGM Resolutions has been set out in detail in the Notice of EGM. I won't restate the information set out in the Notice, however, in line with the Notice, a fully franked dividend equal to \$1.15 per share has been since declared by Board, with payment expected soon after the completion of the sale. Also as set out in the Notice and subject to any unforeseen claims or liabilities, a further payment is expected to be made to shareholders as a return of capital and it is also expected that SCFSL will be wound up in due course after discharging all liabilities including any residual funds being paid to local charitable organisations or the CEF.

On other matters, this year we welcomed Lee Chia as the new Chair to replace Julie Scott. Lee has been the Community Liaison Officer for the Community Bank Windsor for many years, and she has stepped into the Chair role utilising her Bendigo banking and marketing knowledge and deep connection with the local community. Lee's focus and dedication has been truly amazing. To our other Directors, thank you for all your efforts this year, your contribution is key factor of a business that has contributed so much to the community. To Jawad and the branch team in particular, thank you for your efforts, your hard work and dedication in driving and representing such a wonderful community business.

I took over as Treasurer from Jon Caneva at the 2024 AGM, so this Report is likely to be my first and last. As you would all know, Jon was the founder of the Community Bank Windsor 23 years ago. I and the Board thank Jon for his incredible foresight, commitment and stewardship to, and of, the Community Bank Windsor for all of those years and continued guidance and support this year.

In closing, I would like to thank our shareholders and customers for the confidence they have continued to show to our business and the trust they place in Community Bank Windsor in looking after their banking.

Thank You



Warrick King
Treasurer

Directors' report

30 June 2025

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

Directors

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

Name: Lee Chia
Title: Non-executive director
Qualifications: Lee has completed an Arts degree majoring in Japanese and Psychology and then later completed a Post Graduate Diploma in Human Resource Management.
Experience and expertise: Lee has a background predominately in global human resources management specifically implementing and managing global HR systems, policies, employee satisfaction surveys and performance reviews for various engineering firms. Lee is our current Community Liaison Officer and works extensively with all community groups and the community in general. In this capacity, Lee is responsible for the marketing and social media as well as managing the community partnerships program with guidance from the Board and Bendigo Bank. Lee was appointed as the Chair of the board in November 2024.

Name: Charlotte Rendle-Short
Title: Non-executive director
Qualifications: Masters of Business Administration, Med Admin, Diploma of education, Bachelor of Music and Certificate in Executive Coaching & Mentoring.
Experience and expertise: Charlotte was appointed as Company Secretary in November 2018. Charlotte has had more than 33 years experience in education, having held senior leadership positions at school and system level. In her current work, Charlotte coaches and mentors principals and school leadership teams across all three sectors.

Name: Giovanni Jon Caneva
Title: Non-executive director
Qualifications: A registered BAS Agent with a Certificate IV in Accounting.
Experience and expertise: Jon assists other businesses with business development, administration, bookkeeping and BAS preparation. He also owned and operated the then Duke of Windsor Hotel (Lucky Coq) for 14 years and was instrumental in getting the Windsor Community Bank® Branch and Windsor IGA up and running.

Name: Warrick King
Title: Non-executive director
Qualifications: Warrick is a Chartered Accountant with a Graduate Diploma in Applied Finance & Investment.
Experience and expertise: Warrick was appointed as a director in January 2019 and is the current treasurer. He was a Manager at PwC, Financial Controller at a Global Services Company and also the General Manager Finance and Company Secretary for a privately owned corporate group. He is currently the CFO for an impact group.

Name: Eileen Macken
Title: Non-executive director
Qualifications: Qualified as a Certified Practicing Accountant and Certified Public Accountant. Eileen is also a graduate of the Australian Institute of Company Directors.
Experience and expertise: Eileen has over 30 years of financial and management accounting experience across several industries including Professional Services, Building and Software as a CFO and managing Finance Business Partner teams.

Name: Cecile Anusha Santhiapillai
Title: Non-executive director (appointed 25 July 2024)
Experience and expertise:

Directors' report (continued)

Name: Christine Lempick Fitzherbert
Title: Non-executive Director (appointed 26 September 2024)
Experience and expertise:

Name: Jemima Joseph
Title: Non-executive director (resigned 19 June 2025)
Qualifications: Bachelor of Business (Accounting and Finance), Masters of Applied Finance, Chartered Financial Analyst and Graduate of the Australian Institute of Company Directors.
Experience and expertise: Jemima was appointed as a director in July 2022. Jemima is the Head of Digital Strategy at L1 Capital, where she is responsible for the development and execution of the digital strategy for the L1 Capital group. She has over 18 years' of investment management experience, specialising in strategic Investment Communications and Digital Marketing across retail, intermediary and institutional markets.

Name: Anja Barisic
Title: Non-executive director (resigned 5 December 2024)
Qualifications: Bachelor of Journalism.
Experience and expertise: Anja was appointed as a director in June 2021. She has extensive experience delivering marketing solutions through social media, online and digital. An analytical and big picture thinker, with a proven track-record in developing, leading and owning marketing campaigns that increase lead acquisition, customer retention and lifetime value. Anja is currently serving as the ANZ Marketing Manager at PERSOLKELLY.

Name: Julie Scott
Title: Non-executive director (resigned 15 November 2024)
Qualifications: Diploma of Catering Management and Certificate 2 Wine Appreciation - WSET.
Experience and expertise: Julie was Company Secretary until appointed as Chairperson in October 2018. Julie is an experienced manager, who has developed her skills over the past 31 years in both Catering Management and Banking, including over 12 years within the Bendigo Bank Community® Bank network. Her specific areas of interest are volunteering within her community, and mentoring good people to be better.

Company secretary

The company secretary is Charlotte Rendle-Short. Charlotte was appointed to the position of company secretary in December 2018.

Experience and expertise: Graduate Australian Institute of Company Directors, Masters of Business Administration, Med Admin, Diploma of education, Bachelor of Music and Certificate in Executive Coaching & Mentoring. Charlotte was appointed as Company Secretary in December 2018. Charlotte has had more than 33 years experience in education, having held senior leadership positions at school and system level. In her current work, Charlotte coaches and mentors principals and school leadership teams across all three sectors.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$144,977 (30 June 2024: \$146,299).

Operations have continued to perform in line with expectations.

Directors' report (continued)

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of nil cents per share (2024: 5 cents)	-	32,500

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

	2025 \$	2024 \$
Fully franked dividend of 5 cents per share	32,500	-

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

On 25 August 2025, the company entered into a Sale Agreement with Caulfield Park Community Financial Services Limited ("CPCFSL") to sell its revenue right associated with loans, deposits and other revenue-generating business under its franchise agreement with Bendigo and Adelaide Bank Limited for consideration of \$1,400,000 (excluding GST).

Completion of the sale is subject to various conditions precedent, including shareholder approval at an Extraordinary General Meeting on 18 September 2025, consent from Bendigo and Adelaide Bank Limited, and termination of the company's existing franchise agreement. Completion is expected on or about 31 October 2025.

As this transaction was agreed after 30 June 2025, it is considered a non-adjusting subsequent event under AASB 110 *Events after the Reporting Period*. Accordingly, no adjustment has been made to the financial statements as at 30 June 2025.

No other 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

The company has entered into a Sale Agreement with Caulfield Park Community Financial Services Limited ("CPCFSL") dated 25 August 2025 for the sale of the company's revenue right arising from its franchise agreement with Bendigo and Adelaide Bank Limited.

Subject to shareholder approval at the Extraordinary General Meeting scheduled for 18 September 2025, and satisfaction of other conditions precedent (including the consent of Bendigo and Adelaide Bank Limited and termination of the existing franchise agreement), completion is expected to occur on or about 31 October 2025.

Assuming completion occurs, the company's Community Bank Windsor branch will close, the revenue right will be re-domiciled to CPCFSL, and the Board intends to distribute the net sale proceeds to shareholders by way of a fully franked dividend and equal capital reduction. Following settlement and completion of distributions, the company intends to apply remaining funds to meet outstanding liabilities and closure costs, with any surplus donated to local charitable organisations or the Community Enterprise Foundation. However, the amount of the final distribution remains subject to their being no unforeseen claims or other liabilities, which arise during the period after completion. The company will then be deregistered.

No other matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

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

Directors' report (continued)

Meetings of directors

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

	Board	
	Eligible	Attended
Lee Chia	11	10
Charlotte Rendle-Short	11	11
Giovanni Jon Caneva	11	10
Warrick King	11	11
Eileen Macken	11	10
Christine Lempick Fitzherbert	10	8
Cecile Anusha Santhiapillai	10	8
Jemima Joseph	10	6
Anja Barisic	5	4
Julie Scott	4	4

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Lee Chia	-	-	-
Charlotte Rendle-Short	-	-	-
Giovanni Jon Caneva	62,500	-	62,500
Warrick King	-	-	-
Eileen Macken	-	-	-
Cecile Anusha Santhiapillai	-	-	-
Christine Lempick Fitzherbert	-	-	-
Jemima Joseph	-	-	-
Anja Barisic	-	-	-
Julie Scott	500	-	500

Shares under option

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

Shares issued on the exercise of options

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

Directors' report (continued)

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

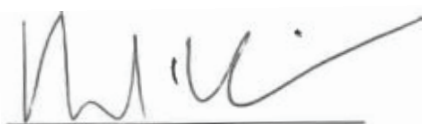
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional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

Auditor's independence declaration

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

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

On behalf of the directors



Warrick King
Treasurer

17 September 2025

Auditor's independence declaration



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 17 September 2025

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

Joshua Griffin
Lead Auditor

Financial statements

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,184,608	1,187,898
Other revenue		1,513	-
Finance revenue		12,226	11,352
Total revenue		<u>1,198,347</u>	<u>1,199,250</u>
Employee benefits expense	7	(516,470)	(484,237)
Occupancy expenses		(4,722)	(3,696)
IT expenses		(36,183)	(34,787)
Depreciation and amortisation expense	7	(79,614)	(80,953)
Repairs and maintenance		(4,556)	(2,074)
Insurance expenses		(19,865)	(13,395)
ATM expenses		(6,931)	(7,282)
Finance costs	7	(56,146)	(56,999)
Administration and general expenses		(172,782)	(124,007)
Total expenses before community contributions and income tax expense		<u>(897,269)</u>	<u>(807,430)</u>
Profit before community contributions and income tax expense		301,078	391,820
Charitable donations and sponsorships expense		<u>(82,044)</u>	<u>(180,414)</u>
Profit before income tax expense		219,034	211,406
Income tax expense	8	<u>(74,057)</u>	<u>(65,107)</u>
Profit after income tax expense for the year		144,977	146,299
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>144,977</u></u>	<u><u>146,299</u></u>
		Cents	Cents
Basic earnings per share	25	22.30	22.51
Diluted earnings per share	25	22.30	22.51

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	541,186	338,773
Trade and other receivables	10	88,431	106,586
Investments	11	216,720	208,262
Total current assets		<u>846,337</u>	<u>653,621</u>
Non-current assets			
Financial assets		16,250	16,250
Property, plant and equipment	12	348,099	361,298
Right-of-use assets	13	924,395	977,463
Intangible assets	14	31,141	44,488
Deferred tax assets	8	7,968	12,631
Total non-current assets		<u>1,327,853</u>	<u>1,412,130</u>
Total assets		<u>2,174,190</u>	<u>2,065,751</u>
Liabilities			
Current liabilities			
Trade and other payables	15	68,620	118,287
Lease liabilities	16	16,988	14,020
Current tax liabilities	8	17,924	21,277
Employee benefits		31,974	18,321
Total current liabilities		<u>135,506</u>	<u>171,905</u>
Non-current liabilities			
Trade and other payables	15	14,681	-
Lease liabilities	16	973,291	990,279
Employee benefits		5,799	3,631
Provisions		40,000	40,000
Total non-current liabilities		<u>1,033,771</u>	<u>1,033,910</u>
Total liabilities		<u>1,169,277</u>	<u>1,205,815</u>
Net assets		<u>1,004,913</u>	<u>859,936</u>
Equity			
Issued capital	17	647,010	647,010
Retained earnings		357,903	212,926
Total equity		<u>1,004,913</u>	<u>859,936</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		647,010	99,127	746,137
Profit after income tax expense		-	146,299	146,299
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	146,299	146,299
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(32,500)	(32,500)
Balance at 30 June 2024		<u>647,010</u>	<u>212,926</u>	<u>859,936</u>
 Balance at 1 July 2024		 647,010	 212,926	 859,936
Profit after income tax expense		-	144,977	144,977
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	144,977	144,977
Balance at 30 June 2025		<u>647,010</u>	<u>357,903</u>	<u>1,004,913</u>

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

Financial statements (continued)

Stonnington 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)		1,322,935	1,318,522
Payments to suppliers and employees (inclusive of GST)		(935,522)	(972,069)
Interest received		12,218	11,078
Income taxes paid		(72,747)	(122,097)
Net cash provided by operating activities	24	326,884	235,434
Cash flows from investing activities			
Investment in term deposits		(8,458)	(8,262)
Payments for intangible assets		(13,347)	(13,347)
Net cash used in investing activities		(21,805)	(21,609)
Cash flows from financing activities			
Interest and other finance costs paid		(56,146)	(56,999)
Dividends paid	19	(32,500)	(32,500)
Repayment of lease liabilities		(14,020)	(11,123)
Net cash used in financing activities		(102,666)	(100,622)
Net increase in cash and cash equivalents		202,413	113,203
Cash and cash equivalents at the beginning of the financial year		338,773	225,570
Cash and cash equivalents at the end of the financial year	9	<u>541,186</u>	<u>338,773</u>

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 149 Chapel St, Windsor VIC 3181.

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

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 September 2025. The directors have the power to amend and reissue the financial statements.

Going concern

The financial report has been prepared on a going concern basis, notwithstanding the Sale Agreement entered into on 25 August 2025 to sell the company's revenue right to Caulfield Park Community Financial Services Limited (CPCFSL).

At the date of signing, the transaction remains subject to shareholder approval at the Extraordinary General Meeting scheduled for 18 September 2025 and other conditions precedent. Until these are satisfied and settlement occurs (expected 31 October 2025), the company will continue to operate the Community Bank Windsor branch and meet its obligations as they fall due.

If the sale is completed, the company's operations will cease, the Windsor branch will close, and the revenue right will be redomiciled to CPCFSL, and the Board will proceed to distribute the net sale proceeds to shareholders by way of a fully franked dividend and equal capital reduction. Following settlement and completion of distributions, the company intends to apply remaining funds to meet outstanding liabilities and closure costs, with any surplus donated to local charitable organisations or the Community Enterprise Foundation. The company will then be deregistered. However, the amount of the final distribution remains subject to their being no unforeseen claims or other liabilities, which arise during the period after completion. These conditions give rise to a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern beyond the short term.

Nevertheless, the Directors are satisfied that the company has sufficient cash resources to meet its obligations up to settlement of the proposed transaction. Accordingly, the financial report has been prepared on a going concern basis.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Investments

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

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The current franchise fee expires in November 2027.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

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

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,089,569	1,083,264
Fee income	61,936	68,071
Commission income	33,103	36,563
	<u>1,184,608</u>	<u>1,187,898</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	447,497	413,175
Superannuation contributions	49,798	45,470
Other expenses	19,175	25,592
	<u>516,470</u>	<u>484,237</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	9,752	9,779
Plant and equipment	3,447	3,457
	<u>13,199</u>	<u>13,236</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	53,068	54,370
<i>Amortisation of intangible assets</i>		
Franchise fee	2,225	2,224
Franchise renewal process fee	11,122	11,123
	<u>13,347</u>	<u>13,347</u>
	<u>79,614</u>	<u>80,953</u>

Finance costs

	2025 \$	2024 \$
Lease interest expense	<u>56,146</u>	<u>56,999</u>

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

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	39,939	2,053
Contribution to the Community Enterprise Foundation™	42,105	178,361
	<u>82,044</u>	<u>180,414</u>

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

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

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

	2025 \$	2024 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	203,453	111,830
Contributions paid in	42,105	178,361
Grants paid out	(80,144)	(83,283)
Interest received	8,847	4,440
Management fees incurred	(2,105)	(7,895)
Balance available for distribution	<u>172,156</u>	<u>203,453</u>

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	69,683	65,107
Movement in deferred tax	4,663	1,163
Under/over provision in respect to prior years	(289)	(1,163)
Aggregate income tax expense	<u>74,057</u>	<u>65,107</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	219,034	211,406
Tax at the statutory tax rate of 25%	54,759	52,852
Tax effect of:		
Tax effect of temporary differences	14,924	12,255
	<u>69,683</u>	<u>65,107</u>
Under/over provision in respect to prior years	(289)	-
Movement in deferred tax	4,663	-
Income tax expense	<u>74,057</u>	<u>65,107</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	9,443	5,488
Provision for lease make good	10,000	10,000
Accrued expenses	6,805	5,625
Income accruals	(392)	(325)
Prepayments	(1,417)	(1,448)
Right-of-use assets	(16,471)	(6,709)
	<u>7,968</u>	<u>12,631</u>
Deferred tax asset		
	7,968	12,631
	<u>2025</u> \$	<u>2024</u> \$
Provision for income tax	<u>17,924</u>	<u>21,277</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>541,186</u>	<u>338,773</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	<u>81,198</u>	<u>99,241</u>
Accrued income	1,566	1,558
Prepayments	<u>5,667</u>	<u>5,787</u>
	<u>7,233</u>	<u>7,345</u>
	<u>88,431</u>	<u>106,586</u>

Accounting policy for trade and other receivables

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

Notes to the financial statements (continued)

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	216,720	208,262

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	349,550	349,550
Less: Accumulated depreciation	(25,194)	(15,442)
	<u>324,356</u>	<u>334,108</u>
Plant and equipment - at cost	63,812	63,812
Less: Accumulated depreciation	(40,069)	(36,622)
	<u>23,743</u>	<u>27,190</u>
	<u>348,099</u>	<u>361,298</u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	343,887	30,647	374,534
Depreciation	(9,779)	(3,457)	(13,236)
Balance at 30 June 2024	334,108	27,190	361,298
Depreciation	(9,752)	(3,447)	(13,199)
Balance at 30 June 2025	<u>324,356</u>	<u>23,743</u>	<u>348,099</u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	6 to 20 years
Plant and Equipment	1 to 40 years

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

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

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

Notes to the financial statements (continued)

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	1,061,354	1,061,354
Less: Accumulated depreciation	(136,959)	(83,891)
	<u>924,395</u>	<u>977,463</u>

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

	Land and buildings \$
Balance at 1 July 2023	1,031,833
Depreciation expense	(54,370)
Balance at 30 June 2024	977,463
Depreciation expense	(53,068)
Balance at 30 June 2025	<u>924,395</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	133,677	133,677
Less: Accumulated amortisation	(128,487)	(126,262)
	<u>5,190</u>	<u>7,415</u>
Franchise renewal fee	145,834	145,834
Less: Accumulated amortisation	(119,883)	(108,761)
	<u>25,951</u>	<u>37,073</u>
	<u>31,141</u>	<u>44,488</u>

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	9,639	48,196	57,835
Amortisation expense	(2,224)	(11,123)	(13,347)
Balance at 30 June 2024	7,415	37,073	44,488
Amortisation expense	(2,225)	(11,122)	(13,347)
Balance at 30 June 2025	5,190	25,951	31,141

Accounting policy for intangible assets

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

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

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

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

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

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	3,417	2,074
Other payables and accruals	65,203	116,213
	<u>68,620</u>	<u>118,287</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>14,681</u>	<u>-</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	83,301	118,287
less other payables and accruals (net GST payable to the ATO)	(15,502)	(7,071)
	<u>67,799</u>	<u>111,216</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>16,988</u>	<u>14,020</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>973,291</u>	<u>990,279</u>
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	1,004,299	1,015,422
Lease interest expense	56,146	56,999
Lease payments - total cash outflow	<u>(70,166)</u>	<u>(68,122)</u>
	<u>990,279</u>	<u>1,004,299</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Windsor Branch	5.62%	5 years	3 x 5 years	Yes	March 2042

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>650,000</u>	<u>650,000</u>	<u>647,010</u>	<u>647,010</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Notes to the financial statements (continued)

Note 17. Issued capital (continued)

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").

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

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

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

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

Note 18. Capital management

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

Notes to the financial statements (continued)

Note 18. Capital management (continued)

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

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

	2025 \$	2024 \$
Fully franked dividend of nil cents per share (2024: 5 cents)	-	32,500

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2025 \$	2024 \$
Fully franked dividend of 5 cents per share (2024: nil cents)	32,500	-

Accounting policy for dividends

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

Note 20. Financial risk management

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

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

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	82,764	100,799
Cash and cash equivalents (note 9)	541,186	338,773
Term deposits (note 11)	216,720	208,262
	<u>840,670</u>	<u>647,834</u>
Financial liabilities		
Trade and other payables (note 15)	67,799	111,216
Lease liabilities (note 16)	990,279	1,004,299
	<u>1,058,078</u>	<u>1,115,515</u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

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

Impairment of trade and other receivables

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

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$541,186 and term deposits of \$216,720 at 30 June 2025 (2024: \$338,773 and \$208,262)

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	53,118	14,681	-	67,799
Lease liabilities	72,270	311,422	1,235,172	1,618,864
Total non-derivatives	125,388	326,103	1,235,172	1,686,663

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	111,216	-	-	111,216
Lease liabilities	70,165	302,352	1,316,512	1,689,029
Total non-derivatives	181,381	302,352	1,316,512	1,800,245

Note 21. Key management personnel disclosures

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

Lee Chia
Charlotte Rendle-Short
Giovanni Jon Caneva
Warrick King
Eileen Macken

Cecile Anusha Santhiapillai
Christine Lempick Fitzherbert
Jemima Joseph
Anja Barisic
Julie Scott

Notes to the financial statements (continued)

Note 21. Key management personnel disclosures (continued)

Compensation

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

	2025 \$	2024 \$
Short-term employee benefits	19,083	9,000
Total key management personnel compensation	<u>19,083</u>	<u>9,000</u>

Note 22. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Caneva Management Pty Ltd, a company of which Giovanni Caneva is a director provided bookkeeping and administration services	12,274	12,000
Windsor Primary School, Warrick King was a Community Member on the School Council was sponsored by the company	-	8,500
South Melbourne Park Primary School, with Julie Scott's sister being Treasurer on the School Council was sponsored by the company	-	2,500

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart.

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	<u>8,750</u>	<u>7,500</u>
<i>Other services</i>		
General advisory services	<u>1,810</u>	<u>1,795</u>
	<u>10,560</u>	<u>9,295</u>

Notes to the financial statements (continued)

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	144,977	146,299
Adjustments for:		
Depreciation and amortisation	79,614	80,952
Finance costs	56,146	56,999
Change in operating assets and liabilities:		
Decrease in trade and other receivables	18,155	11,560
Decrease/(increase) in deferred tax assets	4,663	(284)
Increase/(decrease) in trade and other payables	10,861	(10,015)
Decrease in provision for income tax	(3,353)	(56,706)
Increase in employee benefits	15,821	6,629
Net cash provided by operating activities	<u>326,884</u>	<u>235,434</u>

Note 25. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>144,977</u>	<u>146,299</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>650,000</u>	<u>650,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>650,000</u>	<u>650,000</u>
	Cents	Cents
Basic earnings per share	22.30	22.51
Diluted earnings per share	22.30	22.51

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Stonnington Community Financial Services Ltd, by the weighted average number of ordinary shares outstanding during the financial year.

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

On 25 August 2025, the company entered into a Sale Agreement with Caulfield Park Community Financial Services Limited ("CPCFSL") to sell its revenue right associated with loans, deposits and other revenue-generating business under its franchise agreement with Bendigo and Adelaide Bank Limited for consideration of \$1,400,000 (excluding GST).

Completion of the sale is subject to various conditions precedent, including shareholder approval at an Extraordinary General Meeting on 18 September 2025, consent from Bendigo and Adelaide Bank Limited, and termination of the company's existing franchise agreement. Completion is expected on or about 31 October 2025.

As this transaction was agreed after 30 June 2025, it is considered a non-adjusting subsequent event under AASB 110 *Events after the Reporting Period*. Accordingly, no adjustment has been made to the financial statements as at 30 June 2025.

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

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Warrick King
Treasurer

17 September 2025

Independent audit report



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

Independent auditor's report to the Directors of Stonnington Community Financial Services Ltd

Report on the audit of the financial report

Our opinion

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

- i. giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Stonnington Community Financial Services Ltd (the company), which comprises the:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including material accounting policies, and the
- Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 ("Going concern") and Note 28 ("Subsequent events") in the financial report, which describe the conditions relating to the proposed sale of the company's revenue right and the intended closure and wind-up of the company if shareholder approval is obtained. As stated in those notes, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The financial report does not include any adjustments that would be necessary if the company is unable to continue as a going concern. Our opinion is not modified in respect of this matter.



Andrew Frewin Stewart
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03 5443 0344

Other information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 17 September 2025

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

Joshua Griffin
Lead Auditor

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