



Annual Report 2025

Tongala & District Financial
Services Limited

Community Bank
Tongala and Mathoura
ABN 22 094 331 665

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Chairman's report

For year ending 30 June 2025

It is my privilege to present the Chair's Report for the 2025 financial year on behalf of the Board of Directors of Tongala & District Financial Services Limited, trading as Community Bank Tongala & Mathoura.

Sadly, on 1 February 2025, we lost our long standing Director and former Chair, John Bentley. John was a passionate advocate for our Community Bank, a respected leader, and a generous contributor to our community. His passing was deeply felt by the Board, our staff, and the broader community. We remain grateful for his years of service and the significant legacy he leaves behind.

While our financial performance for FY25 was below expectations, reporting a net profit of \$17,458, the result was largely impacted by a reduction in income margins. Despite this, the Board remains committed to the long term success and sustainability of our business. Our focus moving forward includes strengthening local engagement, maintaining prudent cost control, and enhancing the visibility of our brand within the community. We have also taken several important steps this year to better position ourselves for future growth.

Our unwavering commitment to our community remains at the heart of everything we do. In FY25, we proudly supported more than 40 local community groups, sporting clubs and students, returning a total of \$200,968.30 to the community. Of this amount, \$68,137 was funded directly by Tongala & District Financial Services Limited, \$111,031.30 was distributed via the Community Enterprise Foundation for grants, and \$21,800 was provided through the Foundation for scholarships. This brings our total community investment since inception to over \$1.3 million - a powerful reflection of the Community Bank model in action.

Community Contributions FY25	
Sponsorships	\$67,112
Grants	\$111,031
Donations	\$1,025
Scholarships	\$21,800
Total	\$200,968

Highlights of our support this year included:

- A new playground at Tongala Kindergarten
- Boys to the Bush programs at Tongala Primary School and St Patrick's Primary School
- A mobile cool-room for the Mathoura Events Committee
- Girls Empowerment Days for local students

The Board has resolved to declare a dividend for FY25 of 7c reflection of our commitment to returning value to our shareholders when appropriate and sustainable.

I would like to sincerely thank my fellow Directors; Paige Wade, Greg Rossborough, and Marion Moncrieff for their dedication and continued commitment to our Community Bank. To our shareholders, customers, and the wider community, thank you for your ongoing support.

A special thank you also to our Board Secretary, Sharon Ebsworth whose unwavering support, attention to detail, and willingness to go above and beyond have been invaluable. She has been a tremendous asset to both the Board and the broader community we proudly support.

Finally, I wish to acknowledge our dedicated branch team: Branch Manager Hamish Urquhart, and Customer Service Officers Kerry Cox, Sharon Martin, and Renee Sim who, unfortunately, finished with us in March. Your hard work and community spirit are truly appreciated.

Karen Palmer
Chair
Tongala & District Financial Services Ltd

Manager's report

For year ending 30 June 2025

It is with great pleasure that I present the Branch Manager's Report for Community Bank Tongala and Mathoura for the 2025 financial year.

Having now been with the bank for 12 months, I have had the privilege of being involved in a number of significant and memorable events throughout the year. From standing in as Santa Claus for the Mathoura Events Committee's Christmas Carols, to presenting at the Goulburn Murray Cricket Club Awards Night and the Campaspe Business Awards Nights, it has been an honour to represent Community Bank Tongala and Mathoura in the local community.

As at 30 June 2025, Community Bank Tongala and Mathoura proudly served 2,222 customers. Their continued loyalty and support are the driving forces behind our ability to reinvest more than \$1 million into our local communities over the past 25 years, a true testament to the strength and impact of community banking.

This year brought changes to how our Agribusiness portfolio is categorised. Agribusiness lending is now included under Commercial Lending, and Farm Management Deposits are classified under Other Business.



Our business footings at year end were:

Loans	\$17,557,625
Deposits	\$54,611,336
Rural & Wealth	\$280,347
Other Business	\$2,067,011
Total Holdings	\$74,516,319

Comparison to Previous Year:

FY24:	\$70,153,376
FY25:	\$74,679,635
Growth:	\$4,526,259

A significant growth from last financial year.

This consistent growth highlights the confidence our customers have in our services and the ongoing strength of our business.

This year has seen some changes to our team, with both farewells and new beginnings reflecting the natural evolution of the branch.

In March 2025, we farewelled Customer Relationship Officer Renee Simm, who left the banking industry to pursue a new career in the education sector. Renee will be remembered for her warm and bubbly personality, and she will be missed by staff and customers alike.

In June, we welcomed Alisha Wagner to the team as a part-time Customer Service Officer. Alisha joins Sharon Martin and Kerry Cox in continuing to provide exceptional service to our customers. Alisha has quickly established herself as a valued team member, bringing energy, enthusiasm, and a strong customer service focus to the role.

Manager's report (continued)

During FY25, our branch moved from Region 342 to Region 340 as part of a broader regional realignment. This shift grouped Tongala, Rushworth, Shepparton, and Kyabram branches under Region 340. As part of this change, we welcomed a new Regional Manager, Kelly Torpey.

We look forward to working closely with Kelly moving forward.

I would also like to acknowledge and sincerely thank our previous Regional Manager, Kendall Beattie, who provided guidance and support to our branch over the past 12 months. His assistance has been instrumental in my own development and the ongoing growth of our team.

As we move into the 2026 financial year, I remain optimistic and energised by the opportunities ahead. With a committed Board, a dedicated team, and strong community support, I am confident that we will continue to deliver outstanding service and positive outcomes for our customers and the wider community.

Thank you to our loyal customers, the Board of Tongala & District Financial Services Limited, and our dedicated staff in both Tongala and at our Mathoura Agency. Your ongoing support is what makes our success possible.

Hamish Urquhart

Branch Manager

Community Bank Tongala and Mathoura

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits.

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1,500+ volunteer Directors, 1,700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and Directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formerly certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

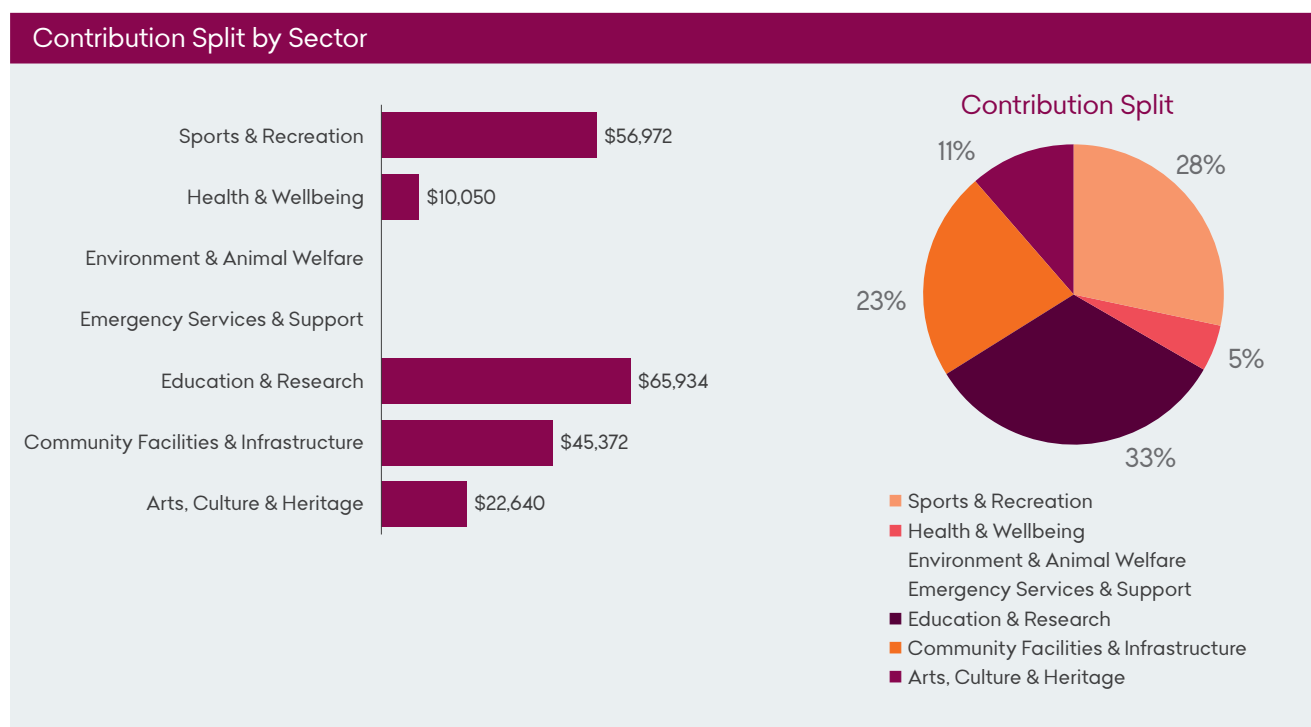
Community contributions

Tongala & District Financial Services Limited
Financial Year 2024/25

Contribution Totals by Type	
Donation	\$1,025
Grant	\$111,031
Scholarship	\$21,800
Sponsorship	\$67,112
Total	\$200,968

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

Contribution Totals by Sector	
Sports & Recreation	\$56,972
Health & Wellbeing	\$10,050
Environment & Animal Welfare	\$0
Emergency Services & Support	\$0
Education & Research	\$65,934
Community Facilities & Infrastructure	\$45,372
Arts, Culture & Heritage	\$22,640
Total	\$200,968



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:	Paige Hannah Wade
Title:	Non-executive director
Experience and expertise:	Paige is a local business owner of GTS Farm Supplies. She is a past Senior accountant at Stubberfield Group and holds a Bachelor of Commerce majoring in Accounting, Certified Practising Certificate III in Agriculture and is a member of CPA. She is the treasurer and coach of the Tongala Football Netball Club and the treasurer of Tongala Kinder.
Special responsibilities:	Chair, Finance Committee and Business Development Committee.
Name:	Gregory James Rossborough
Title:	Non-executive director
Experience and expertise:	Previously Corporate Westpac Manager (26 years). General Manager in Licenced Club industry (20 years). Treasurer Tongala Football Netball Club.
Special responsibilities:	Finance, Budget, Shares, Business Development and Audit Sub Committee and Strategies, Procedures and H.R Sub Committee.
Name:	Karen Maree Palmer
Title:	Non-executive director
Experience and expertise:	Karen is a Coordinator/Manager and a previous CSO at bank - Tongala Community Bank. Current 'CERT' First Responder. Currently employed TCAC - co-ordinator. Other current directorships include Tongala Health - Governance Committee.
Special responsibilities:	Marketing and Sponsorship Committee.
Name:	Marion Joan Moncrieff
Title:	Non-executive director
Experience and expertise:	Marion is a farmer from Koyuga. Marion was a music teacher at Moama Anglican Grammar for 12 years. Marion was a past president for the Dingley Primary School Parents Association for 2 years and a member of the Music & Arts Committee at Moama Anglican Grammar.
Special responsibilities:	Nil
Name:	Keisha Egan
Title:	Non-executive director (<i>appointed 16 July 2025, resigned 27 August 2025</i>)
Experience and expertise:	
Name:	John Charles Bentley
Title:	Non-executive director (<i>served until 1 February 2025</i>)
Experience and expertise:	John was a Water Industry employee for 28 years. Member of Club, League and Recreational Reserve Committees for 27 years.
Special responsibilities:	Business Development Committee, Marketing and Sponsorship Committee and Finance Committee.

Company secretary

The company secretary is Sharon Marie Ebsworth. Sharon was appointed to the position of company secretary on 21 August 2023.

Principal activity

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

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

Directors' report (continued)

Review of operations

The profit for the company after providing for income tax amounted to \$17,458 (2024: \$33,414).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 8 cents per share (2024: 7 cents)	27,308	23,895

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

The Board's strategy includes pursuing further growth, and to this end, it is in the early stages of exploring opportunities for potential consolidation with other community bank businesses.

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.

Meetings of directors

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

	Board Eligible	Board Attended
Gregory James Rosborough	11	11
Karen Maree Palmer	11	7
Paige Hannah Wade	11	10
Marion Joan Moncrieff	11	10
Keisha Egan	-	-
John Charles Bentley	6	4

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 20 to the financial statements.

Directors' report (continued)

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
Gregory James Rossborough	-	-	-
Karen Maree Palmer	-	-	-
Paige Hannah Wade	-	-	-
Marion Joan Moncrieff	-	-	-
Keisha Egan	-	-	-
John Charles Bentley	1,000	-	1,000

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager 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.

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

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 21 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.

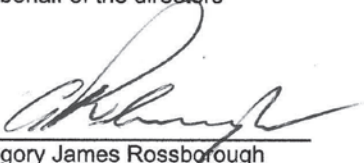
Directors' report (continued)

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



Gregory James Rossborough
Director

29 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 Tongala & District Financial Services Limited

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

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

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

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Financial statements

Tongala & District Financial Services Limited 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	685,289	723,985
Other revenue		650	10,181
Finance revenue		10,167	1
Total revenue		<u>696,106</u>	<u>734,167</u>
Employee benefits expense	7	(412,413)	(310,877)
Advertising and marketing costs		(7,469)	(11,811)
Occupancy and associated costs		(17,044)	(12,688)
System costs		(18,572)	(15,601)
Depreciation and amortisation expense	7	(23,031)	(24,410)
General administration expenses		(125,786)	(122,946)
Total expenses before community contributions and income tax expense		<u>(604,315)</u>	<u>(498,333)</u>
Profit before community contributions and income tax expense		91,791	235,834
Charitable donations and sponsorships expense	7	<u>(68,137)</u>	<u>(192,257)</u>
Profit before income tax expense		23,654	43,577
Income tax expense	8	<u>(6,196)</u>	<u>(10,163)</u>
Profit after income tax expense for the year		17,458	33,414
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>17,458</u></u>	<u><u>33,414</u></u>
		Cents	Cents
Basic earnings per share	23	5.11	9.79
Diluted earnings per share	23	5.11	9.79

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

Financial statements (continued)

Tongala & District Financial Services Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	253,760	298,849
Trade and other receivables	10	49,241	60,570
Total current assets		<u>303,001</u>	<u>359,419</u>
Non-current assets			
Property, plant and equipment	11	168,006	175,402
Intangible assets	12	5,768	18,723
Deferred tax assets	8	1,694	-
Total non-current assets		<u>175,468</u>	<u>194,125</u>
Total assets		<u>478,469</u>	<u>553,544</u>
Liabilities			
Current liabilities			
Trade and other payables	13	63,355	134,480
Current tax liabilities	8	2,591	2,521
Employee benefits	14	18,781	5,075
Total current liabilities		<u>84,727</u>	<u>142,076</u>
Non-current liabilities			
Deferred tax liabilities	8	-	1,754
Employee benefits	14	3,401	9,523
Total non-current liabilities		<u>3,401</u>	<u>11,277</u>
Total liabilities		<u>88,128</u>	<u>153,353</u>
Net assets		<u>390,341</u>	<u>400,191</u>
Equity			
Issued capital	15	341,350	341,350
Retained earnings		<u>48,991</u>	<u>58,841</u>
Total equity		<u>390,341</u>	<u>400,191</u>

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

Financial statements (continued)

Tongala & District Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		341,350	49,322	390,672
Profit after income tax expense		-	33,414	33,414
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	33,414	33,414
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(23,895)	(23,895)
Balance at 30 June 2024		<u>341,350</u>	<u>58,841</u>	<u>400,191</u>
 Balance at 1 July 2024		 341,350	 58,841	 400,191
Profit after income tax expense		-	17,458	17,458
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	17,458	17,458
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(27,308)	(27,308)
Balance at 30 June 2025		<u>341,350</u>	<u>48,991</u>	<u>390,341</u>

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

Financial statements (continued)

Tongala & District Financial Services Limited 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)		765,797	817,683
Payments to suppliers and employees (inclusive of GST)		(767,986)	(683,893)
Interest received		10,167	1
Income taxes paid		(9,574)	(15,772)
Net cash provided by/(used in) operating activities	22	(1,596)	118,019
Cash flows from investing activities			
Payments for property, plant and equipment	11	(2,680)	(6,882)
Payments for intangible assets		(13,505)	(13,505)
Net cash used in investing activities		(16,185)	(20,387)
Cash flows from financing activities			
Dividends paid	17	(27,308)	(23,895)
Net cash used in financing activities		(27,308)	(23,895)
Net increase/(decrease) in cash and cash equivalents		(45,089)	73,737
Cash and cash equivalents at the beginning of the financial year		298,849	225,112
Cash and cash equivalents at the end of the financial year	9	<u>253,760</u>	<u>298,849</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 Tongala & District Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 35 Mangan Street, Tongala VIC 3621.

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

Note 2. Basis of preparation and statement of compliance

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

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

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.

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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.

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.

Notes to the financial statements (continued)

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

Employee benefits provision

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 inflation have been taken into account.

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

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Note 5. Economic dependency

The company is economically dependent on its franchise agreement with Bendigo Bank to generate revenue. The current agreement includes an initial five-year term, which is set to expire on 10 December 2025, and two five-year renewal options. Subsequent to year end, the company signed the franchise agreement renewal on 18 September 2025 for the first five-year renewal option which covers the period 11 December 2025 to 10 December 2030. As at the date of this report, the franchise agreement renewal had not yet been signed by the Bendigo Bank.

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	610,356	650,822
Fee income	39,753	40,911
Commission income	35,180	32,252
	<u>685,289</u>	<u>723,985</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	365,623	267,787
Superannuation contributions	36,941	29,751
Expenses related to long service leave	(6,122)	(1,512)
Other expenses	15,971	14,851
	<u>412,413</u>	<u>310,877</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Buildings	6,253	6,252
Plant and equipment	3,823	5,202
	<u>10,076</u>	<u>11,454</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,158	2,159
Franchise renewal fee	10,797	10,797
	<u>12,955</u>	<u>12,956</u>
	<u>23,031</u>	<u>24,410</u>

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	<u>68,137</u>	<u>192,257</u>

Notes to the financial statements (continued)

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	9,644	9,574
Movement in deferred tax	(3,448)	1,630
Under/over adjustment	-	(1,041)
Aggregate income tax expense	<u>6,196</u>	<u>10,163</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>23,654</u>	<u>43,577</u>
Tax at the statutory tax rate of 25%	5,914	10,894
Tax effect of:		
Non-deductible expenses	<u>282</u>	<u>310</u>
Under/over adjustment	<u>6,196</u>	<u>11,204</u>
	<u>-</u>	<u>(1,041)</u>
Income tax expense	<u>6,196</u>	<u>10,163</u>
	2025 \$	2024 \$
<i>Deferred tax attributable to:</i>		
employee provisions	5,545	3,649
property, plant and equipment	<u>(3,851)</u>	<u>(5,403)</u>
Deferred tax asset/(liability)	<u>1,694</u>	<u>(1,754)</u>
	2025 \$	2024 \$
Provision for income tax	<u>2,591</u>	<u>2,521</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>253,760</u>	<u>298,849</u>

Notes to the financial statements (continued)

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	48,672	60,001
Prepayments	569	569
	<u>49,241</u>	<u>60,570</u>

Accounting policy for trade and other receivables

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

Note 11. Property, plant and equipment

	2025 \$	2024 \$
Land - at cost	33,155	33,155
Buildings - at cost	159,704	159,704
Less: Accumulated depreciation	(34,697)	(28,444)
	<u>125,007</u>	<u>131,260</u>
Plant and equipment - at cost	163,223	162,869
Less: Accumulated depreciation	(155,705)	(151,882)
	<u>7,518</u>	<u>10,987</u>
Work in Progress	2,326	-
	<u>168,006</u>	<u>175,402</u>

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

	Land \$	Buildings \$	Plant and equipment \$	Work in progress \$	Total \$
Balance at 1 July 2023	33,155	137,512	9,307	-	179,974
Additions	-	-	6,882	-	6,882
Depreciation	-	(6,252)	(5,202)	-	(11,454)
Balance at 30 June 2024	33,155	131,260	10,987	-	175,402
Additions	-	-	354	2,326	2,680
Depreciation	-	(6,253)	(3,823)	-	(10,076)
Balance at 30 June 2025	<u>33,155</u>	<u>125,007</u>	<u>7,518</u>	<u>2,326</u>	<u>168,006</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.

Notes to the financial statements (continued)

Note 11. Property, plant and equipment (continued)

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:

Building	5 to 40 years
Plant and Equipment	5 years
Furniture and Fittings	5 to 20 years

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

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 12. Intangible assets

	2025 \$	2024 \$
Franchise fee	72,093	72,093
Less: Accumulated amortisation	(70,528)	(68,370)
	<u>1,565</u>	<u>3,723</u>
Franchise renewal fee	99,168	99,168
Less: Accumulated amortisation	(94,965)	(84,168)
	<u>4,203</u>	<u>15,000</u>
	<u><u>5,768</u></u>	<u><u>18,723</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	5,882	25,797	31,679
Amortisation expense	(2,159)	(10,797)	(12,956)
Balance at 30 June 2024	3,723	15,000	18,723
Amortisation expense	(2,158)	(10,797)	(12,955)
Balance at 30 June 2025	<u><u>1,565</u></u>	<u><u>4,203</u></u>	<u><u>5,768</u></u>

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)	December 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2025

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

Notes to the financial statements (continued)

Note 13. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	6,033	74,536
Other payables and accruals	57,322	59,944
	<u>63,355</u>	<u>134,480</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	63,355	134,480
less GST payable to the ATO included in trade and other payables	(11,411)	(2,793)
	<u>51,944</u>	<u>131,687</u>

Note 14. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	18,781	5,075
<i>Non-current liabilities</i>		
Long service leave	3,401	9,523

Accounting policy for short-term employee benefits

Liabilities for 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. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for 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. 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 15. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>341,350</u>	<u>341,350</u>	<u>341,350</u>	<u>341,350</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

Notes to the financial statements (continued)

Note 15. Issued capital (continued)

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 16. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 17. Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 8 cents per share (2024: 7 cents)	27,308	23,895

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	80,667	72,860
Franking credits (debits) arising from income taxes paid (refunded)	9,574	15,772
Franking debits from the payment of franked distributions	(9,103)	(7,965)
annual income tax return	81,138	80,667
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	81,138	80,667
Franking credits (debits) that will arise from payment (refund) of income tax	2,591	2,521
Franking credits available for future reporting periods	83,729	83,188

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

Accounting policy for dividends

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

Note 18. Financial risk management

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

Notes to the financial statements (continued)

Note 18. Financial risk management (continued)

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

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables less prepayments (note 10)	48,672	60,001
Cash and cash equivalents (note 9)	253,760	298,849
	<u>302,432</u>	<u>358,850</u>
Financial liabilities at amortised cost		
Trade and other payables (note 13)	<u>51,944</u>	<u>131,687</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company's financial liabilities measured at amortised cost include trade and other payables.

Derecognition

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

Notes to the financial statements (continued)

Note 18. Financial risk management (continued)

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of \$253,760 at 30 June 2025 (2024: \$298,849).

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	51,944	-	-	51,944
Total non-derivatives	51,944	-	-	51,944
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	131,687	-	-	131,687
Total non-derivatives	131,687	-	-	131,687

Note 19. Key management personnel disclosures

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

Gregory James Rossborough
Karen Maree Palmer
Paige Hannah Wade

Marion Joan Moncrieff
Keisha Egan (*appointed 16 July 2025*)
John Charles Bentley (*Served until 1 February 2025*)

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

Note 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

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.

Notes to the financial statements (continued)

Note 20. Related party transactions (continued)

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 \$
Greg Rossborough provided the company bookkeeping services. The total benefit received was:	9,100	9,100
The company provided a sponsorship to the Tongala Football Netball Club where Paige Wade is on the board. The total benefit received was:	10,000	20,425
The company provided a sponsorship to Tongala Kinder where Paige Wade is on the board. The total benefit received was:	25,000	-

Note 21. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	3,190	2,780
General advisory services	3,470	3,560
	6,660	6,340
	14,590	12,990

Note 22. Reconciliation of profit after income tax to net cash provided by/(used in) operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	17,458	33,414
Adjustments for:		
Depreciation and amortisation	23,031	24,410
Change in operating assets and liabilities:		
Decrease in trade and other receivables	11,329	11,111
Increase in deferred tax assets	(1,694)	-
Increase/(decrease) in trade and other payables	(57,620)	62,273
Increase/(decrease) in provision for income tax	70	(7,238)
Increase/(decrease) in deferred tax liabilities	(1,754)	1,629
Increase/(decrease) in employee benefits	7,584	(7,580)
Net cash provided by/(used in) operating activities	(1,596)	118,019

Notes to the financial statements (continued)

Note 23. Earnings per share

	2025 \$	2024 \$
Profit after income tax	17,458	33,414
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	341,350	341,350
Weighted average number of ordinary shares used in calculating diluted earnings per share	341,350	341,350
	Cents	Cents
Basic earnings per share	5.11	9.79
Diluted earnings per share	5.11	9.79

Note 24. Commitments

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

Note 25. Contingencies

During the period the company signed a three-year sponsorship agreement with the Tongala Football Netball Club. The sponsorship agreement is for three \$10,000 payments to be made over three years which are contingent on a number of obligations required to be met by Tongala Football Netball Club.

The achievement of the obligations is reviewed at the end of the season in October each year prior to payment being granted for the following season.

There were no other contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

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.

Directors' declaration

Tongala & District Financial Services Limited **Directors' declaration** **30 June 2025**

In the directors' opinion:

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

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

On behalf of the directors



Gregory James Rossborough
Director

29 September 2025

Independent audit report



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

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

Report on the audit of the financial report

Our opinion

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

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

What we have audited

We have audited the financial report of Tongala & District Financial Services Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Andrew Frewin Stewart
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Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2025

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

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