

Trafalgar & District Financial Services Ltd
Financial Statements
For The Year Ended 30 June 2025

ABN: 86 102 573 222

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ending 30 June 2025.

1. The directors in office at any time during or since the end of the year are:

Debbie Di Sisto, Board Deputy Chairperson – Appointed 2019

Debbie has lived in Trafalgar all her life and attended both Trafalgar Primary & Trafalgar High School. Debbie holds Certificates in Events Management, Retail Operations and Financial Services. Her career experience spans the mining, retail, banking and construction industries, including as a payroll administrator, sales assistant, customer service consultant and administration assistant. Debbie's husband is a dairy farmer and they live on their farm just outside Trafalgar.

Matthew Steendam – Appointed 2019

Matt holds a Bachelor of Agricultural Science from the University of Melbourne, and prior to joining his family's diversified potato farming business, was an Agribusiness Relationship Manager with Rural Bank in Gippsland. This role encompassed client relationship management, new business acquisition, and undertaking business, financial, farming and cashflow analysis. Matt also has a strong involvement with Thorpdale CFA, Thorpdale Recreation Reserve Committee of Management and Thorpdale Potato Festival. He is married with three young children and lives at Thorpdale on the family farm. Matt is Chair of the Board Audit and Risk Committee.

David Balfour – Appointed 2019

David lives in Willow Grove and has been a local councillor for Thompson and the North Ward. David has extensive involvement in local community activities including meetings with local progress associations and town committees. He has maintained a strong involvement with CFA, Landcare, Reserve Committees, School Councils, UDV and sporting clubs. David is Chair of the Board Community Investment Committee.

Debbie Litkowski - Appointed 2021

Debbie has lived in the local area for fourteen years and has been involved in various community groups. Whilst studying for a Master of Business and Administration (Leadership), Debbie completed a Graduate Certificate in Business Management. Member of the Board Community Investment Committee.

Geoff Conway – Appointed 2022 (Resigned May 2025)

Geoff's qualifications include a Masters in Business Administration, Diploma of Teaching, Certificate VI in Workplace Training and Assessment, and he is a Graduate of the Institution of Fire Engineers. Geoff has over 42 years' experience as a leader, manager and professional development trainer in public and emergency management agencies in Victoria. Geoff has worked internationally as a consultant on behalf of Australian Government agencies supporting organisational improvement initiatives in Asia and South America. He is the founder and principal consultant of Crossbow Consulting Services, a consultancy focusing on the provision of support to government and NGOs. Member of the Board Audit & Risk Committee.

Edwin Vandenberg – Appointed 2023

Edwin's career has included senior executive roles in agribusiness, manufacturing and retail including time in banking and finance. Edwin has completed tertiary studies in agricultural science, economics, an MBA in agribusiness, as well as the AICD Company Directors Course. Edwin's interest in serving as a Director is driven by helping Community Bank Trafalgar & District to grow and continue in its assistance to the community. Member of the Board Audit & Risk Committee.

DIRECTORS' REPORT

Melanie Cahani – Appointed 2023

Melanie holds an MBA and is a Marketing and Public Relations expert with more than 15 years' experience in marketing management and consulting. She is a skilled communicator who has previously served on the board of the International Association of Business Communicators Victoria. Passionate about building positive relationships between businesses and customers, Melanie has been the driving force across multinational organisations in media, digital communications and community engagement. Her expertise in multi-channel marketing and strategy development has been instrumental in helping organisations build strong, long-lasting relationships with their customers. Member of the Board Community Investment Committee.

Konrad Kucianski – Appointed 2024

Konrad brings 20 years of experience in financial services, having worked at a number of banks and super funds. He holds a bachelor of Laws and Commerce and is a Lean Six Sigma Black Belt. He is also a Chartered Accountant and a certified product owner. Konrad has a strong interest in the growth and prosperity of regional Victoria. He is looking forward to giving back to the community. Member of the Board Audit & Risk Committee.

Kevin McLaren – Appointed 2024

Kevin has a lifelong commitment to public service and community leadership, having served in the Royal Australian Navy as an Aviation Handler and in the Royal Australian Air Force in transport and aircraft refuelling roles. Kevin went on to serve with Victoria Police for 30 years, undertaking roles in General Duties, Highway Patrol, Water Police, and as a Youth and School Resource Officer. Since retiring in 2020, Kevin has continued his contribution to the community through extensive voluntary involvement, including long-term leadership roles with the Yarragon Bowling Club, local football and basketball clubs, and primary school council. Kevin brings strong leadership, integrity, and deep understanding of the community to his role as Director. Member of the Board Community Investment Committee.

Sally Neenan - Appointed 2025

Sally is a Gippsland-based civil engineer with over 15 years' experience in heavy industry, infrastructure, and emergency services. She has held senior technical and leadership roles at AGL Loy Yang and UGL, with expertise in quality management, safety systems, risk assessment, and contract oversight. Sally has also served as an Engineering Officer in the Army Reserves and led disaster relief and forestry operations. In addition to her professional achievements, Sally is a volunteer firefighter with the CFA and a member of the Trafalgar High School Council. She brings strong governance capability, strategic thinking, and a deep commitment to community to her role as Director. Member of the Board Audit & Risk Committee.

Rosie Carroll - Company Secretary

Rosie was appointed Company Secretary on 16 March 2021. Rosie is an experienced Executive Assistant and Company Secretary, who is currently employed as an Executive Assistant to a CEO and Board Secretary of a large, charitable not for profit health service provider, and has previous experience working in the legal sector. Rosie has a Bachelor of Business.

DIRECTORS' REPORT

2. The principal activity of the Company during the financial year was the management of a community bank.
3. The net profit after tax of the Company for the financial year was \$385,480 (2024: \$537,662)
4. During the financial year the Company continued its trading activities, the results of those operations were in line with projections.
5. There was no significant change in the state of the affairs on the Company during the financial year.
6. No matters of circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.
7. Other than matters identified in this report, no matters of circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.
8. The directors are not aware of any likely developments in the operation of the Company or of any change in the expected results of those operations in future financial years.
9. No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.
10. No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings.
11. The company was not a party to any such proceedings during the year.
12. The Company's operation are not regulated by any significant environmental regulation under a law of the Commonwealth, or of a State or Territory.
13. 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 with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest other than the benefits disclosed in Note 8. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the accounts, or the fixed salary or an employee of the company.

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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DIRECTORS' REPORT

13. During the Financial year, 11 meetings of directors were held. Attendances by each director were as follows:

Director	Director Since	Directors Meetings		
		Eligible to Attend	Number Attended	
David Balfour	2019	11	10	
Debbie Di Sisto	2019	11	11	
Debbie Litkowski	2021	11	10	
Edwin Vandenberg	2023	11	8	
Geoff Conway	2022	9	8	Resigned 14/05/2025
Kevin McLaren	2024	7	5	Appointed 30/10/2024
Konrad Kucianski	2024	7	7	Appointed 13/11/2024
Matt Steendam	2019	11	11	
Melanie Cahani	2023	11	7	
Sally Neenan	2025	4	3	Appointed 14/03/2025

All Directors are widely experienced in the general business environment in which the company operates.

Auditors Independence Declaration

The directors received the following declaration from the auditor of the company:

Kidmans Partners Audit Pty Ltd

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



Debbie Di Sisto
Chair

Date: 5 September 2025

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Trafalgar & District Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

KIDMANS PARTNERS AUDIT PTY LTD

John Petridis
Director

Melbourne, 10 September 2025

Kidmans Partners Audit Pty Ltd

Suite 4, 255 Whitehorse Road, Balwyn,
Victoria, Australia 3103

Postal Address: P.O. Box 718, Balwyn,
Victoria, Australia 3103

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
ABN: 86 102 573 222

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
REVENUE			
Income from operations		1,522,188	1,540,137
Loss on disposal of assets		(108,237)	-
Interest received		56,469	48,563
TOTAL REVENUE		<u>1,470,420</u>	<u>1,588,700</u>
EXPENSES			
Employee benefit expenses		563,291	502,204
Depreciation		27,778	26,635
Amortisation of franchise fee		14,019	13,721
General administration		154,068	132,323
Leasing costs		19,344	9,383
Audit services		6,300	6,090
Advertising and promotion		41,104	54,637
Community contributions		102,109	72,812
Occupancy costs		21,612	21,736
TOTAL EXPENSES		<u>949,625</u>	<u>839,541</u>
PROFIT BEFORE MARKET DEVELOPMENT		520,795	749,159
Contribution - CEF		<u>(6,316)</u>	<u>(31,579)</u>
PROFIT BEFORE INCOME TAX		514,479	717,580
Income tax expense	3	<u>128,999</u>	<u>179,918</u>
PROFIT FOR THE YEAR		385,480	537,662
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>385,480</u>	<u>537,662</u>
Earnings per share (cents per share)			
- basic earnings per share (cents)		72.34	100.90
- diluted earnings per share (cents)		72.34	100.90

The accompanying notes form part of these financial statements

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,257,850	1,742,112
Trade and other receivables		106,891	124,608
Tax Assets		68,757	83,769
Other		9,644	8,941
TOTAL CURRENT ASSETS		<u>2,443,142</u>	<u>1,959,430</u>
NON-CURRENT ASSETS			
Intangibles	14	47,666	61,685
Property, Plant & Equipment	2	824,518	638,245
Right-of-Use Asset	7	3,464	17,321
Deferred Tax Asset	3	14,992	10,835
TOTAL NON-CURRENT ASSETS		<u>890,640</u>	<u>728,086</u>
TOTAL ASSETS		<u>3,333,782</u>	<u>2,687,516</u>
LIABILITIES			
CURRENT LIABILITIES			
Interest Bearing Liabilities	17	6,696	16,558
Trade and other payables		467,168	146,480
Tax Liabilities		-	-
Provisions	4	28,343	22,383
TOTAL CURRENT LIABILITIES		<u>502,207</u>	<u>185,421</u>
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	17	-	4,222
Deferred Tax Liability	3	26,678	15,406
Provisions	4	12,175	5,955
TOTAL NON-CURRENT LIABILITIES		<u>38,853</u>	<u>25,583</u>
TOTAL LIABILITIES		<u>541,060</u>	<u>211,004</u>
NET ASSETS		<u>2,792,722</u>	<u>2,476,512</u>
EQUITY			
Contributed Equity		532,850	532,850
Accumulated Profits	10	2,259,872	1,943,662
TOTAL EQUITY		<u>2,792,722</u>	<u>2,476,512</u>

The accompanying notes form part of these financial statements

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Contributed Equity \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2024	532,850	1,943,662	2,476,512
Total comprehensive income for the year	-	385,480	385,480
Transactions with owners in their capacity as owners:			
Shares issued during the year	-	-	-
Dividends recognised for the year	-	(69,270)	(69,270)
Balance at 30 June 2025	<u>532,850</u>	<u>2,259,872</u>	<u>2,792,722</u>
 Balance at 1 July 2023	 532,850	 1,485,927	 2,018,777
Total comprehensive income for the year	-	537,662	537,662
Transactions with owners in their capacity as owners:			
Shares issued during the year	-	-	-
Dividends recognised for the year	-	(79,927)	(79,927)
Balance at 30 June 2024	<u>532,850</u>	<u>1,943,662</u>	<u>2,476,512</u>

The accompanying notes form part of these financial statements

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,693,896	1,716,582
Payments to suppliers and employees		(689,884)	(916,614)
Interest received		56,469	48,563
Income tax paid		<u>(106,872)</u>	<u>(465,026)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	6	<u>953,609</u>	<u>383,505</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(354,517)	(35,003)
Payments for purchase of franchise term		<u>-</u>	<u>(70,096)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(354,517)</u>	<u>(105,099)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from lease liabilities		2,953	3,218
Repayment of lease liabilities		(19,244)	(18,409)
(Repayment)/Proceeds of borrowings		2,207	(1,275)
Dividends paid		<u>(69,270)</u>	<u>(79,927)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(83,354)</u>	<u>(96,393)</u>
Net increase/(decrease) in Cash Held		515,738	182,013
Cash and Cash Equivalents at beginning of year		<u>1,742,112</u>	<u>1,560,099</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	<u><u>2,257,850</u></u>	<u><u>1,742,112</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Trafalgar & District Financial Services Limited ("the Company") as an individual entity. The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based in historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied.

(a) Basis of preparation

These general purpose financial statements for the year reporting period ended 30 June 2025 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2025, together with any public announcements made during the following year.

(b) Significant accounting judgements, estimates and assumptions

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

(c) Accounting policies

The same accounting policies and methods of computation have been followed in this financial report as were applied to prior financial statements

These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost less where applicable any accumulated depreciation.

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 incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets, employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amounts.

The depreciable amount of all fixed assets are depreciated using the diminishing value method over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each for each class of depreciable asset are:-

Plant and Equipment 5% - 100%

(e) Right-of-use Assets

The right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are

(f) Cash and Cash Equivalents

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

(g) Revenue

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

Interest

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Other revenue

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of a cost of acquisition of the asset or as part of an item if the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component arising from investing and financing activities, which is recoverable from, or payable to the Australian Taxation Office, are classified as operating activities

(i) Intangibles

The franchise fee is valued in the accounts at cost and is being amortised over a period of five years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer recoverable is written off.

(j) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down

(l) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid in respect of services provided by employees up to the reporting date.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(m) Income Tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects either the accounting profit nor taxable profit or loss: and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

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

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business and, at the time of the transaction, effects neither the accounting profit nor taxable profit or loss: and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the reporting date.

(n) Trade and other payables

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

(o) Provision for impairment of inventories

The Entity performs an annual assessment of the assets valuation to determine if there is a requirement for an Provision for Impairment. The provision for impairment assessment requires a degree of estimation and judgement.

(p) Trade and other receivables

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

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

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

TRAFALGAR DISTRICT FINANCIAL SERVICES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
2. PROPERTY, PLANT AND EQUIPMENT		
Land & Buildings at Cost	478,212	478,212
Plant and Equipment at Cost	390,071	394,869
Less Accumulated Depreciation	(43,765)	(234,836)
	<u>824,518</u>	<u>638,245</u>
Reconciliation of written-down value of Property, Plant & Equipment		
Balance at beginning of year	638,245	633,059
Additions	309,926	17,964
Disposals	(109,732)	-
Depreciation Expense	(13,921)	(12,778)
Balance at end of year	<u>824,518</u>	<u>638,245</u>
3. INCOME TAX EXPENSE		
The prima facie tax payable in operating profit is reconciled to the income tax expense as follows:		
Prima facie tax payable on accounting profit at 25% (2024: 25%)	128,620	179,395
Add:		
Non-deductible permanent differences		
Non-deductible entertainment	<u>379</u>	<u>523</u>
Income Tax Expense	128,999	179,918
Timing differences deductible when incurred		
Provision for holiday pay, accrued and prepaid expenses	10,408	8,174
Provision for long service leave	6,220	1,150
	<u>16,628</u>	<u>9,324</u>
Movement in Deferred Tax Liability	11,272	2,397
Deferred Tax Asset		
Accrued Expenses	4,862	3,750
Provision for Holiday Pay	7,086	5,596
Provision for Long Service Leave	3,044	1,489
	<u>14,992</u>	<u>10,835</u>
Deferred Tax Liabilities		
Accrued Interest	(2,235)	2,235
Depreciation - Acc v Tax Difference	30,113	13,469
Rent Expense	(1,200)	(298)
	<u>26,678</u>	<u>15,406</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
4. PROVISIONS		
Current		
Annual Leave	28,343	22,383
Long Service Leave	-	-
	<u>28,343</u>	<u>22,383</u>
Non - Current		
Long Service Leave	<u>12,175</u>	<u>5,955</u>
Average number of employees	7	7

5. CASH & CASH EQUIVALENTS

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>2,257,850</u>	<u>1,742,112</u>
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6. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with operating profit / (loss)

Operating profit after tax	385,480	537,662
Non-operating Cash flows in operating results		
Depreciation	27,778	26,635
Amortisation	14,019	13,721
Net (profit)/loss on sale	108,237	
Changes in Assets and Liabilities		
Decrease / (Increase) in receivables	17,717	20,392
(Decrease) / Increase in payables	418,545	23,020
(Decrease) / Increase in provisions	12,180	8,813
(Decrease) / Increase in tax payable	(37,462)	(246,804)
Decrease / (Increase) in deferred tax assets	(4,157)	(2,331)
(Increase) / Decrease in deferred tax liabilities	11,272	2,397
	<u>953,609</u>	<u>383,505</u>
Net cash provided by operating activities		

7. RIGHT-OF-USE-ASSET

Right-to-Use Asset	76,004	76,004
Less: Accumulated Depreciation	<u>(72,540)</u>	<u>(58,683)</u>
	3,464	17,321

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

8. RELATED PARTY TRANSACTIONS

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

	2025	2024
	\$	\$
Directors' Interests		
Debbie Di Sisto - shareholdings	1,000	1,000

There were no other transactions with related entities.

9. SEGMENT REPORTING

The Company operates in the service sector where it conducts a Community Bank in Trafalgar, servicing the areas of Yarragon, Willow Grove, Thorpdale, Narracan, Erica, Rawson, Walhalla and Tanjil South of Gippsland in Victoria.

10. ACCUMULATED PROFITS

Accumulated profit at the beginning of the financial year	1,943,662	1,485,927
Net profit after income tax	385,480	537,662
Less dividends paid	(69,270)	(79,927)
Accumulated profit at the end of the financial year	2,259,872	1,943,662

11. DIVIDENDS PAID ON ORDINARY SHARES

Franked dividends <i>(13 cents per share for 2025, 15 cents per share for 2024)</i>	69,270	79,927
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12. FRANKING CREDIT BALANCE

Franking account balance as at the end of the financial year	1,022,709	753,146
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13. COMPANY DETAILS

The registered office of the Company is 82 Smith Street, WARRAGUL Victoria

The principal place of business is 107b Princes Highway, Yarragon, Victoria

14. INTANGIBLES

Franchise Fee at cost	70,097	70,097
Less Amortisation	(22,431)	(8,412)
	47,666	61,685

15. EARNINGS PER SHARE

Earnings used in calculating basic and diluted earnings per share	385,480	537,662
Weighted average number of shares for basic and diluted earnings per share	532,850	532,850

TRAFALGAR DISTRICT FINANCIAL SERVICES LTD
ABN: 86 102 573 222

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the entity is set out below:

	2025 \$	2024 \$
Aggregate Compensation	<u>112,116</u>	<u>112,619</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

17. FINANCIAL INSTRUMENTS

	Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate				Non Interest Bearing	
					Within 1 Year		1 to 5 Years			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Financial Assets										
Cash at Bank	4.53%	3.17%	1,022,485	814,800	1,235,365	927,312	-	-	106,891	124,608
Receivables										
Total Financial Assets			1,022,485	814,800	1,235,365	927,312	-	-	106,891	124,608
Financial Liabilities										
Payables	13.99%	13.99%	2,474	267					467,168	146,480
Occupancy lease	5.00%	5.00%			4,222	16,291	-	4,222		
Total Financial Liabilities			2,474	267	4,222	16,291	-	4,222	467,168	146,480

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(c) Net Fair Value

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

18. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

19. EVENTS AFTER THE REPORTING PERIOD

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.

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
ABN: 86 102 573 222

DIRECTORS DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025

The directors of Trafalgar & District Financial Services Limited, declare that:

- (1) The financial statements and notes, as set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....
Debbie Di Sisto
Chair

Dated this 5th day of September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED**Opinion**

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

In our opinion the financial report of Trafalgar & District Financial Services Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- a) 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 then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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 do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

Kidmans Partners Audit Pty Ltd

Suite 4, 255 Whitehorse Road, Balwyn,
Victoria, Australia 3103

Postal Address: P.O. Box 718, Balwyn,
Victoria, Australia 3103

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED (CONTINUED)

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Kidmans Partners Audit Pty Ltd

ABN: 46 143 986 841



John Petridis
Director