Annual Report 2025

Tugun & District Finances Limited

Community Bank
Tugun

ABN 57 102 056 306

Contents

Chair's report

For year ending 30 June 2025

As you are reading this annual report I will have stepped down from the Chair's position after a very dynamic and satisfying second period of service to the Tugun & District Finances Limited (TDFL) Board.

Way back after the first TDFL AGM in 2003, I was asked by then Chairman – Andy Reynolds if I would like to replace one of the outgoing inaugural Board Directors Danny Thuroczy.

I wasn't sure what to expect as our company was only a year old and our Community Bank Franchise Branch even younger, not yet trading for a year at that stage and far away from turning a profit.

I spent almost four years as both the Branch Manager and a Board Director (does that make me a Managing Director?) and they were some of the most enjoyable periods of my working life and banking career.

During that time, we grew the banking business to over $65 million and turned our first profit. I left the branch and went into a number of management and senior management positions within Bendigo Bank but was fortunate that all of those roles supported Tugun branch in some way.

Fast forward to 2019 and after leaving Bendigo Bank as a result of a restructure, I was once again invited to join the Tugun Board, which I gratefully and eagerly accepted.

It's been so fulfilling being back on the Board over these past five years where I have seen our business flourish. Our balance sheet has doubled, we've completed a business acquisition of the Bendigo Bank Elanora corporate branch banking business and generated exceptional profit and dividends to our shareholders.

We've completed a major branch renovation, achieved Social Enterprise Accreditation, assisted dozens and dozens of community organisations, created a digital youth referral service – HubbleGC, seen the successful GC South Business Connect events program come into its own, created a hugely supported local annual fundraising event programs – Trivia For A Cause and Southern Business Women Connect luncheon, and now have reached $3 million in total community contributions.

So, I felt this was a good time to hand the reins over to a new Chair to take us into the future, built on our immensely successful foundations. TDFL are a team of very astute community-minded business leaders and as a Board – the past and present Directors have all played their part in our group success and I am very proud to have played my small part in our 22 year history.

Thank you to all members of the community, staff, Directors, shareholders, customers, Bendigo Bank management and former colleagues, friends and family for sharing this rewarding experience and know that I'll always have a piece of Tugun inside me no matter where I am.

Peter Dirkx
Chair

Manager's report

For year ending 30 June 2025

The financial year ending 2025 was a challenging year with a lack of supply of properties for sale in our local area effecting the number of home loan applications. Our Business Banking partners experienced a large increase in loan discharges of $16 million, which impacted our growth and margin income.

The branch faced staffing challenges for much of the year which impacted our overall performance. Pleasingly, we have three new staff who have fitted in well to Team Tugun and are assisting in turning around the performance of the business.

Whilst there have been many challenges, there has been much to be excited and proud of.

Branch Highlights

- Gross profit exceeded $1.8 million, which was $79,000 below budget as margins declined.
- Net profit $710,000 whilst below budget of $793,000, it was still a good result given our staffing issues (before tax, sponsorships, marketing and donations).
- Net customer growth of 193 taking our total customers to 4,711.
- Sponsorships and grants of $439,253, and an additional investment by the Board of $181,818 to our charitable fund to secure community grant funding for years to come.
- Total business declined for the first time in 15 years by $20 million, with our branch business declining by $4 million and Business Banking declining by $16 million. This result is not where we want to be, although a feature of most branches across the region.
- Lending approvals of $22 million is an increase on last year's $19 million.

Over the last 12 months we have welcomed three new staff members to the team - Vicki McAndrew, Charlee Lye and Lily Gallagher, who have been a welcome addition to the branch and a tremendous support to our staff and customers.

I would like to thank the staff at Tugun for their efforts throughout the year in what was another challenging year for all, especially, Julie, Dorri and Kate who worked long hours across many roles to keep the doors open to service our community. The staff also worked as volunteers in our vast community engagement activities throughout the year, which has helped the success of our Community Investment Programs.

I would like to take this opportunity to thank the Board of Directors, the Community Engagement Committee, the Finance Committee for their ongoing support which has enabled our business to continue to be successful in our local community.

I would like to thank Maris Dirkx, Executive Assistant to the Board, who has worked tirelessly for the Board and our Branch to coordinate our Board meetings and drive our Community & Engagement Committee and the respective marketing and sponsorship events.

We look forward to another successful year ahead, the staff at Tugun branch encourage our shareholders and customers to continue to tell their family and friends about us and what being a customer of our branch can do for this wonderful community.

Allan Merlehan
Branch Manager

Community engagement report

For year ending 30 June 2024

It is with great pleasure I present the Community Engagement Committee Report for the 2024/25 financial year.

The Community Engagement Committee had a successful year, delivering on its key objectives of raising brand awareness, generating business leads for the branch, and connecting with our community.

We proudly hosted two major fundraising events that brought our community together in support of local causes:

- Southern Business Women Connect (August 2024) – We highlighted the valuable support by individuals and organisations for people with disabilities and together with our community, we raised $11,468 for Albatross Nippers, an inclusive surf lifesaving program designed to integrate children with disabilities into Nipper activities.
- Trivia for a Cause (May 2025) – A sell-out event with 200 guests, raising an outstanding $56,000 for Currumbin Wildlife Hospital to further their mission to protect and save koalas.

Both events were at full capacity, highlighting the incredible strength of community support and the value of collaboration.

We continued to support our local business community through the quarterly GC South Business Network events. These gatherings bring together business and community representatives, creating opportunities to meet new people, exchange ideas, and expand networks. By fostering stronger connections, the events not only support business growth and collaboration but also strengthen community ties, encourage local partnerships, and contribute to a more resilient and prosperous region.

Beyond these events, our commitment to community investment has remained strong. In the 2024/25 financial year, we returned a total of $439,253 to support more than 50 projects and initiatives including grants and scholarships that were funded directly from the company's profit and from our charitable fund with Community Enterprise Foundation.

Clockwise from top left: Southern Business Women Connect, SWELL Sculpture Festival, Tugun Seahawks

Clockwise from top: Currumbin Wildlife Hospital, Palm Beach Surf Club, Seed The Ground

In addition, the Board of Directors contributed a net deposit of $181,818 to the charitable fund to support future community investment programs. This contribution safe-proofs the Board's commitment to the ongoing support of local community organisations for years to come.

This impact is only possible thanks to our shareholders and customers, as up to 80% of profits generated from banking business are reinvested directly back into the community. If you haven't already, why not consider your own banking needs or spread the word to your family and friends so we can generate a greater impact for the benefit of our community.

For the latest news, community stories, and event updates, follow Community Bank Tugun on Facebook and Instagram. You can also connect with us professionally on LinkedIn at Tugun & District Finances Limited.

I would like to take the opportunity to thank the Board of Directors for their continued dedication to the committee and our initiatives as well as our staff and volunteer committee members for their involvement and support.

We look forward to another year of connecting our community.

Georgi Tomlinson
Director/Community Engagement Committee Chair

Below is a list of this year's recipients. The Community Balance Sheet also includes a breakdown of the categories we supported.

- Agape Heart of Women Awards
- Albatross Nippers
- Bowlapalooza
- Coolamon Singers
- Currumbin Happy Group
- Currumbin State School P&C
- Currumbin Tennis Club
- Currumbin Valley State School P&C
- Currumbin Vikings SLSC
- Cyril Callister Foundation
- Dragons Abreast
- Elanora State High School P&C
- Elanora State School P&C
- Fight 4 Youth
- Flotsam Festival
- Heal.ed Tribe
- HubbleGC
- Northern Rivers Symphony Orchestra
- Outrigger Canoe Club
- Pacific SLSC
- Palm Beach Neighbourhood Centre
- Palm Beach Scout Group
- Palm Beach Soccer Club
- PBC AFL Club
- PBC Cricket Club
- PBC Rugby Union
- PBC State High School P&C
- Seed The Ground
- Southern Beaches Community Garden
- Surf World
- SLSQ Point Danger
- SWELL Sculpture Festival
- Tugun Lights Up
- Tugun Progress Association
- Tugun SLSC
- Twin Towns Triathlon Club

Tugun & District Finances Limited
Financial Year 2024/25

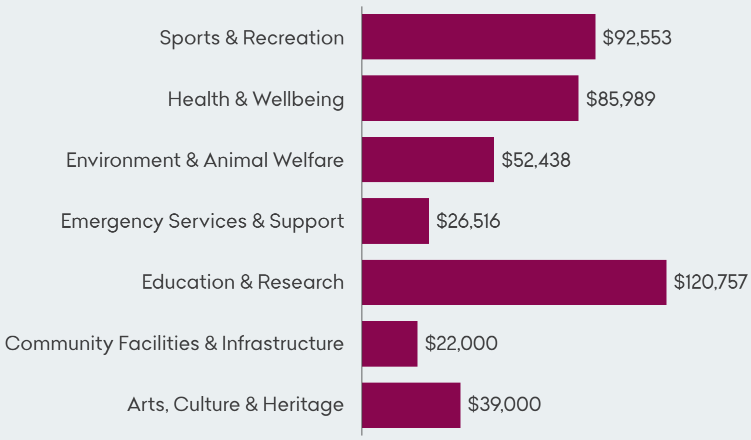
Contribution Totals by Type	
Donation	$4,620
Grant	$110,687
Scholarship	$12,000
Sponsorship	$311,946
Total	**$439,253**

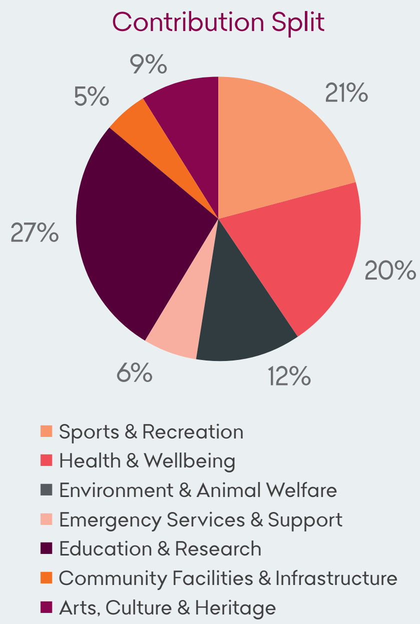
National Contribution	
FY24	$40,457,751
Projects funded	8021

$360 million reinvested back into local communities

Contribution Totals by Sector	
Sports & Recreation	$92,553
Health & Wellbeing	$85,989
Environment & Animal Welfare	$52,438
Emergency Services & Support	$26,516
Education & Research	$120,757
Community Facilities & Infrastructure	$22,000
Arts, Culture & Heritage	$39,000
Total	**$439,253**

Contribution Split by Sector





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

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:	Peter Anthony Dirkx
Title:	Non-executive director
Experience and expertise:	Peter has 16 years in Senior Management positions with Bendigo & Adelaide Bank, with over 10 years in the Community Banking team. He has over 30 years in management roles within the Banking and Finance sector. He has extensive experience on community consultation and engagement and in community banking and not for profit governance and strategic planning. Peter has attended and facilitated numerous Australian Institute of Company Directors (AICD) and Governance Institute of Australia (GIA) workshops, forums and seminars. He has expertise in facilitating community forums, director education workshops and conferences. Currently working as Development Manager (Engagement) with the Office of Engagement at Bond University (Gold Coast). Tertiary and formal qualifications include Financial Analysis for Officers & Directors (Governance Institute of Australia), Not-for-Profit Financial Management & Regulatory Compliance (Governance Institute of Australia), Risk Management & Governance Essentials (Governance Institute of Australia), Duties of Officers and Directors (Governance Institute of Australia), Director Development Program (Australian Institute of Company Directors), Certificate IV Business, Advanced Leadership Management Program, Operational Risk Management, Certificate IV Frontline Management, Certificate III Small Business Management, Certificate IV Financials Services and Certificate in Credit Analysis.
Special responsibilities:	Chair, Co-Chair and Consultant to both the Finance Risk & Audit Committee and Community Engagement Committee

Name:	Benjamin John Crompton
Title:	Non-executive director
Experience and expertise:	Benjamin is an Accountant and Solicitor and owns a small combined practice in Tugun. Benjamin is a current board member of Koala Research Foundation Australia and a former board member of Connecting Southern Gold Coast.
Special responsibilities:	Treasurer

Name:	Cameron Kenneth Window
Title:	Non-executive director
Experience and expertise:	Bachelor of Business - QUT. Bachelor of Applied Science - QUT. Diploma of Financial Markets - AFMA. Occupations: Executive Manager - Fixed Income - MINT Partners (current). Associate Director - Fixed Income - FIIG Securities (2012 - 2016). Project Manager and Analyst - Flight Centre (2010 - 2012). Area Operations Leader - Flight Centre (2005 - 2010). Skills: Financial markets trading and analysis. Relationship/account management. Business operations and project management.
Special responsibilities:	Finance Risk & Audit Committee

Name:	Robert William Marshall
Title:	Non-executive director
Experience and expertise:	Retired solicitor. Robert has experience in small real estate development and is member of Finance Committee of a large private School.
Special responsibilities:	Chair of Finance Risk and Assets Committee

Name:	Norbert Anthony Benton
Title:	Non-executive director
Experience and expertise:	Over twenty years professional experience in environmental management and sustainability, including in his current role as Environment Manager - Studies and Engagement at Queensland Airports Limited. Through his professional career and having completed a Bachelor of Science at Central Queensland University has equipped Norbert with skills and knowledge in environmental management, sustainable development, governance and risk management practices along with forming good working relationships with an array of stakeholders including industry, government agencies and community groups.
Special responsibilities:	Finance, Risk & Audit Committee
Name:	Sean David Powell
Title:	Non-executive director
Experience and expertise:	Sean is a Partner at Robbins Watson Solicitors, Burleigh Waters. Previously working as Solicitor - Property & commercial; wills and estates; family law; litigation. He holds a Bachelor of Laws (Hons) Queensland University of Technology, Bachelor Business (Marketing) Queensland University of Technology, Graduate Diploma (Legal Practice) Australian National University, Queensland Legal Practising Certificate. Admitted to Supreme Court of Queensland and High Court of Australia as a Lawyer. Principal Practising Certificate - Queensland Law Society. Memberships include Gold Coast District Law Association, Queensland Law Society, New South Wales Law Society, Society of Trust and Estate Practitioners (STEP).
Special responsibilities:	Finance, Risk & Audit Committee
Name:	Georgina Louise Tomlinson
Title:	Non-executive director
Experience and expertise:	Georgina has a Bachelor of Commerce - Australian National University. She has a background in Marketing & Events and Apprenticeship & Traineeship Support. Georgina has worked in the Department of Education and currently at the Department of Regional Development, Manufacturing & Water.
Special responsibilities:	Chair of the Community Engagement Committee
Name:	Seamus Miller
Title:	Non-executive director (appointed 8 January 2025)
Experience and expertise:	Masters of Professional Engineering Leadership, Bach Eng (Aeronautical), Graduate AICD. 25 years experience consulting and 15 years of leadership and management experience in Strategy and Technology across a range of Aerospace and emerging technology fields.
Special responsibilities:	Community Engagement Committee
Name:	Larissa Rose
Title:	Non-executive director (appointed 1 July 2025)
Experience and expertise:	Larissa is the Director and Founder of GG Enviro, a multi-award winning and energetic professional with a comprehensive knowledge of environment, climate change, sustainability, and renewable energy and fuels . Larissa has over 16 years professional experience in environmental science management, environmental policy, governance, risk and regulatory compliance. Larissa has completed her environmental management degrees, whilst completing a Masters in Environmental Management, Climate Change and Sustainable Development, a post graduate certificate in Carbon Management, and a Capstone research project in the economic viability of renewable fuels in Australia all completed and achieved at Bond University on the Gold Coast. Previously Larissa founded and was the Director of the Queensland Renewable Fuels Association, which saw her successfully advocate and work with government and policy developers to have enacted the Qld State Government, Biofuels Mandate seeing renewable fuels become part of the fuel mix at service stations across Queensland. Larissa is a regular speaker, presenter and local recognised environmental expert.
Special responsibilities:	Community Engagement Committee

Name:	Christopher Capra
Title:	Non-executive director (appointed 1 July 2025)
Experience and expertise:	Chris is currently the Executive Principal at Palm Beach Currumbin State High School (PBC). Chris has been employed by the Queensland Government through the Department of Education for 29 years. Chris has a Bachelor of Teaching and a Bachelor of Education and he is a member and state councillor for the Queensland Secondary Principals' Association. In addition, Chris holds two state level committee position for the Queensland Teachers' Union and is also an Area Councillor.
Special responsibilities:	Finance, Risk and Audit Committee

Company secretary
The company secretary is Robert William Marshall. Robert was appointed to the position of company secretary on 23 January 2008.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $118,775 (30 June 2024: $158,240).

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 7 cents per share (2024: 7 cents)	42,000	42,000
Bonus fully franked dividend of 7 cents per share (2024: 7 cents)	42,000	42,000
	84,000	84,000

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 business growth, and to this end is exploring opportunities with other community bank businesses. Further disclosure is omitted from the financial statements, as this may result in unreasonable prejudice to the company.

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 directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Finance Risk & Audit Committee		Community Engagement Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Peter Anthony Dirkx	12	12	-	-	3	3
Benjamin John Cropmton	12	11	11	9	-	-
Cameron Kenneth Window	12	10	1	1	-	-
Robert William Marshall	12	12	11	11	-	-
Norbert Anthony Benton	12	10	11	9	-	-
Sean David Powell	12	5	11	8	-	-
Georgina Louise Tomlinson	12	7	-	-	11	2
Seamus Miller	6	6	-	-	-	-
Larissa Rose	-	-	-	-	-	-
Christopher Capra	-	-	-	-	-	-

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.

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
Peter Anthony Dirkx	1,000	-	1,000
Benjamin John Cropmton	-	-	-
Cameron Kenneth Window	17,650	-	17,650
Robert William Marshall	33,000	-	33,000
Norbert Anthony Benton	1,000	-	1,000
Sean David Powell	-	-	-
Georgina Louise Tomlinson	-	-	-
Seamus Miller	-	-	-
Larissa Rose	-	-	-
Christopher Capra	-	-	-

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 22 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 do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

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

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

On behalf of the directors

RMarshall

Robert Marshall
Company Secretary

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 Tugun & District Finances Limited

As lead auditor for the audit of Tugun & District Finances 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.

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

Jessica Ritchie
Lead Auditor

Financial statements

Tugun & District Finances 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	1,818,470	1,897,340
Other revenue		4,995	3,309
Finance revenue		37,646	41,533
Total revenue		1,861,111	1,942,182
Employee benefits expense	7	(710,329)	(682,993)
Advertising and marketing costs		(49,676)	(35,988)
Occupancy and associated costs		(33,841)	(38,153)
System costs		(23,245)	(29,118)
Depreciation and amortisation expense	7	(148,479)	(131,515)
Finance costs		(47,412)	(44,323)
General administration expenses		(179,842)	(163,076)
Fair value losses on financial assets		-	(859)
Total expenses before community contributions and income tax expense		(1,192,824)	(1,126,025)
Profit before community contributions and income tax expense		668,287	816,157
Charitable donations, sponsorships and grants expense	7	(498,184)	(595,466)
Profit before income tax expense		170,103	220,691
Income tax expense	8	(51,328)	(62,451)
Profit after income tax expense for the year		118,775	158,240
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		118,775	158,240
		Cents	**Cents**
Basic earnings per share	24	19.80	26.37
Diluted earnings per share	24	19.80	26.37

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

Tugun & District Finances Limited
Statement of financial position
As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	9	769,200	624,647
Trade and other receivables	10	113,653	152,883
Current tax assets	8	-	41,631
Total current assets		882,853	819,161
Non-current assets			
Property, plant and equipment	11	239,244	185,708
Right-of-use assets	12	526,356	590,740
Intangible assets	13	229,707	275,947
Total non-current assets		995,307	1,052,395
Total assets		1,878,160	1,871,556
Liabilities			
Current liabilities			
Trade and other payables	14	52,017	30,639
Lease liabilities	15	88,287	85,716
Current tax liabilities	8	9,268	-
Total current liabilities		149,572	116,355
Non-current liabilities			
Trade and other payables	14	14,589	29,179
Lease liabilities	15	533,167	578,097
Deferred tax liabilities	8	2,655	5,682
Provisions		16,612	15,453
Total non-current liabilities		567,023	628,411
Total liabilities		716,595	744,766
Net assets		1,161,565	1,126,790
Equity			
Issued capital	16	600,000	600,000
Retained earnings		561,565	526,790
Total equity		1,161,565	1,126,790

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

Tugun & District Finances 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		600,000	452,550	1,052,550
Profit after income tax expense		-	158,240	158,240
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	158,240	158,240
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	18	-	(84,000)	(84,000)
Balance at 30 June 2024		600,000	526,790	1,126,790

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		600,000	526,790	1,126,790
Profit after income tax expense		-	118,775	118,775
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	118,775	118,775
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	18	-	(84,000)	(84,000)
Balance at 30 June 2025		600,000	561,565	1,161,565

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

Tugun & District Finances 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)		2,025,228	2,120,369
Payments to suppliers and employees (inclusive of GST)		(1,638,106)	(1,685,548)
Interest received		38,153	35,523
Income taxes paid		(3,456)	(192,761)
Net cash provided by operating activities	23	421,819	277,583
Cash flows from investing activities			
Payments for property, plant and equipment		(91,391)	(140,413)
Payments for intangible assets		(13,263)	(13,263)
Proceeds from sale of investments		-	51,289
Net cash used in investing activities		(104,654)	(102,387)
Cash flows from financing activities			
Interest and other finance costs paid		(46,253)	(43,227)
Dividends paid	18	(84,000)	(84,000)
Repayment of lease liabilities		(42,359)	(31,921)
Net cash used in financing activities		(172,612)	(159,148)
Net increase in cash and cash equivalents		144,553	16,048
Cash and cash equivalents at the beginning of the financial year		624,647	608,599
Cash and cash equivalents at the end of the financial year	9	769,200	624,647

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 Tugun & District Finances 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:

Registered office	**Principal place of business**
Occulus Accounting Pty Ltd, 39 Wharf Street, Tweed Heads South NSW	Shop 1 to 3, 482 Golden Four Drive, Tugun QLD.

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

Note 3. Material accounting policy information (continued)

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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 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.

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

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

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

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

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

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.

Estimates and assumptions

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in February 2028.

Note 5. Economic dependency (continued)

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.

Note 6. Revenue from contracts with customers

	2025 $	2024 $
Margin income	1,630,446	1,694,586
Fee income	65,134	74,805
Commission income	122,890	127,949
	1,818,470	1,897,340

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:

Note 6. Revenue from contracts with customers (continued)

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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

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.

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	558,851	547,252
Superannuation contributions	62,225	61,241
Expenses related to long service leave	(6,537)	3,618
Other expenses	95,790	70,882
	710,329	682,993

Accounting policy for seconded employee benefits
The company seconds employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2025 $	2024 $
Depreciation of non-current assets		
Leasehold improvements	28,377	12,218
Plant and equipment	3,939	3,859
Motor vehicles	5,539	6,161
	37,855	22,238
Depreciation of right-of-use assets		
Leased land and buildings	64,384	64,236
Amortisation of intangible assets		
Franchise fee	2,404	2,204
Franchise renewal fee	12,018	11,019
Rights to revenue share	31,818	31,818
	46,240	45,041
	148,479	131,515

Charitable donations, sponsorships and grants expense

	2025 $	2024 $
Direct donation, sponsorship and grant payments	316,366	174,413
Contribution to the Community Enterprise Foundation™	181,818	421,053
	498,184	595,466

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

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

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

Note 7. Expenses (continued)

Community Enterprise Foundation™ contributions

	2025 $
Disaggregation of CEF funds	
Opening balance	857,554
Contributions paid in	181,818
Grants paid out	(136,235)
Interest received	37,348
Management fees incurred	(9,090)
Balance available for distribution	931,395

Note 8. Income tax

	2025 $	2024 $
Income tax expense		
Current tax	54,355	57,317
Movement in deferred tax	(3,027)	6,981
Under/over adjustment	-	(1,245)
Net benefit of franking credits on distributions received	-	(602)
Aggregate income tax expense	51,328	62,451
Prima facie income tax reconciliation		
Profit before income tax expense	170,103	220,691
Tax at the statutory tax rate of 25%	42,526	55,173
Tax effect of:		
Non-deductible expenses	8,802	8,974
Other assessable income	-	151
Net benefit of franking credits on distributions received	-	(602)
	51,328	63,696
Under/over adjustment	-	(1,245)
Income tax expense	51,328	62,451

	2025 $	2024 $
Deferred tax attributable to:		
Expense accruals	576	-
Provision for lease make good	4,153	3,863
Lease liabilities	155,363	165,953
Property, plant and equipment	(29,833)	(26,362)
Income accruals	(1,426)	(1,552)
Right-of-use assets	(131,589)	(147,685)
Tax losses	101	101
Deferred tax liability	(2,655)	(5,682)

Note 8. Income tax (continued)

	2025 $	2024 $
Income tax refund due	-	41,631

	2025 $	2024 $
Provision for income tax	9,268	-

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	221,208	101,420
Sandhurst Select 90 Fund	547,992	523,227
	769,200	624,647

Note 10. Trade and other receivables

	2025 $	2024 $
Trade receivables	83,681	99,573
GST receivable	3,084	33,812
Accrued income	5,703	6,211
Prepayments	21,185	13,287
	29,972	53,310
	113,653	152,883

	2025 $	2024 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	113,653	152,883
Less net GST receivable from the ATO	(3,084)	(33,812)
Less prepayments	(21,185)	(13,287)
	89,384	105,784

Note 10. Trade and other receivables (continued)

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 $
Leasehold improvements - at cost	404,550	320,286
Less: Accumulated depreciation	(189,990)	(161,613)
	214,560	158,673
Plant and equipment - at cost	160,874	160,341
Less: Accumulated depreciation	(142,784)	(138,845)
	18,090	21,496
Motor vehicles - at cost	30,817	30,817
Less: Accumulated depreciation	(30,817)	(25,278)
	-	5,539
Work in progress - at cost	6,594	-
	239,244	185,708

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Work in progress $	Total $
Balance at 1 July 2023	30,478	25,355	11,700	-	67,533
Additions	140,413	-	-	-	140,413
Depreciation	(12,218)	(3,859)	(6,161)	-	(22,238)
Balance at 30 June 2024	158,673	21,496	5,539	-	185,708
Additions	84,264	533	-	6,594	91,391
Depreciation	(28,377)	(3,939)	(5,539)	-	(37,855)
Balance at 30 June 2025	214,560	18,090	-	6,594	239,244

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

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

Leasehold improvements	5 to 20 years
Plant and equipment	3 to 10 years
Motor vehicles	5 years

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

Note 11. Property, plant and equipment (continued)

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

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

Note 12. Right-of-use assets

	2025 $	**2024 $**
Land and buildings - right-of-use	912,621	912,621
Less: Accumulated depreciation	(386,265)	(321,881)
	526,356	590,740

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

	Land and buildings $
Balance at 1 July 2023	280,848
Remeasurement adjustments	374,128
Depreciation expense	(64,236)
Balance at 30 June 2024	590,740
Depreciation expense	(64,384)
Balance at 30 June 2025	526,356

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

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

Refer to note 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025 $	2024 $
Rights to revenue share	350,000	350,000
Less: Accumulated amortisation	(154,557)	(122,739)
	195,443	227,261
Franchise fee	105,112	105,112
Less: Accumulated amortisation	(99,401)	(96,997)
	5,711	8,115
Franchise renewal fee	225,445	225,445
Less: Accumulated amortisation	(196,892)	(184,874)
	28,553	40,571
	229,707	275,947

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

	Right to revenue share $	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2023	259,079	10,319	51,590	320,988
Amortisation expense	(31,818)	(2,204)	(11,019)	(45,041)
Balance at 30 June 2024	227,261	8,115	40,571	275,947
Amortisation expense	(31,818)	(2,404)	(12,018)	(46,240)
Balance at 30 June 2025	195,443	5,711	28,553	229,707

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.

Rights to revenue share acquired are recognised at cost at the date of acquisition and are assessed as having a useful life and are amortised over their useful life.

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)	February 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2028
Rights to revenue share	Straight-line	11 years	June 2032

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

Note 14. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	25,504	7,297
Other payables and accruals	26,513	23,342
	52,017	30,639
Non-current liabilities		
Other payables and accruals	14,589	29,179

Note 15. Lease liabilities

	2025 $	2024 $
Current liabilities		
Land and buildings lease liabilities	88,287	85,716
Non-current liabilities		
Land and buildings lease liabilities	533,167	578,097

Reconciliation of lease liabilities

	2025 $	2024 $
Opening balance	663,813	321,322
Remeasurement adjustments	-	374,412
Lease interest expense	46,253	43,227
Lease payments - total cash outflow	(88,612)	(75,148)
	621,454	663,813

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Tugun Branch	7.5%	5 years	1 x 5 years	Yes	August 2033

Note 16. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	600,000	600,000	600,000	600,000

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

Rights attached to issued capital

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

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.

Note 16. Issued capital (continued)

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

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

Note 17. 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 18. 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 7 cents per share (2024: 7 cents)	42,000	42,000
Bonus fully franked dividend of 7 cents per share (2024: 7 cents)	42,000	42,000
	84,000	84,000

Note 18. Dividends (continued)

Franking credits

	2025 $	2024 $
Franking account balance at the beginning of the financial year	344,323	178,960
Franking credits (debits) arising from income taxes paid (refunded)	3,456	192,761
Franking debits from the payment of franked distributions	(28,000)	(28,000)
Franking credits from franked distributions received	-	602
	319,779	344,323
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	319,779	344,323
Franking credits (debits) that will arise from payment (refund) of income tax	9,268	(41,631)
Franking credits available for future reporting periods	329,047	302,692

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 19. Financial risk management

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

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

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		
Trade and other receivables excluding prepayments (note 10)	89,384	105,784
Cash and cash equivalents (note 9)	769,200	624,647
	858,584	730,431
Financial liabilities		
Trade and other payables (note 14)	66,606	59,818
Lease liabilities (note 15)	621,454	663,813
	688,060	723,631

Note 19. Financial risk management (continued)

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets at amortised cost.

The company’s financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

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 measures its financial liabilities at amortised cost.

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

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $769,200 at 30 June 2025 (2024: $624,647).

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.

Note 19. Financial risk management (continued)

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.

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	52,017	14,589	-	66,606
Lease liabilities	91,270	393,293	345,836	830,399
Total non-derivatives	143,287	407,882	345,836	897,005

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	30,639	29,179	-	59,818
Lease liabilities	88,611	381,838	448,561	919,010
Total non-derivatives	119,250	411,017	448,561	978,828

Note 20. Key management personnel disclosures

The following persons were directors of Tugun & District Finances Limited during the financial year:

Peter Anthony Dirkx
Benjamin John Cropmton
Cameron Kenneth Window
Robert William Marshall
Norbert Anthony Benton
Sean David Powell
Georgina Louise Tomlinson
Seamus Miller (appointed 8 January 2025)
Larissa Rose (appointed 1 July 2025)
Christopher Capra (appointed 1 July 2025)

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

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

Note 21. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2025 **$**	**2024** **$**
Legal work related to leases conducted by Robbins Watson Solicitors where a director is a partner	-	440
Contractor/Consultant payments made to a directors spouse	74,577	56,881

Note 22. 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 $
Audit services		
Audit or review of the financial statements	7,930	6,650
Other services		
Taxation advice and tax compliance services	1,124	700
General advisory services	3,835	3,660
Share registry services	4,823	4,440
	9,782	8,800
	17,712	15,450

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 $	2024 $
Profit after income tax expense for the year	118,775	158,240
Adjustments for:		
Depreciation and amortisation	148,479	131,515
Lease liabilities interest	46,253	43,227
Change in operating assets and liabilities:		
Decrease in trade and other receivables	39,230	77,105
Decrease/(increase) in income tax refund due	41,631	(41,631)
Decrease in deferred tax assets	-	1,299
Increase in trade and other payables	20,051	6,169
Increase/(decrease) in provision for income tax	9,268	(95,660)
Increase/(decrease) in deferred tax liabilities	(3,027)	5,682
Increase/(decrease) in other provisions	1,159	(8,363)
Net cash provided by operating activities	421,819	277,583

Note 24. Earnings per share

	2025 $	2024 $
Profit after income tax	118,775	158,240

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	600,000	600,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	600,000	600,000

Note 24. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	19.80	26.37
Diluted earnings per share	19.80	26.37

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. 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

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

Robert Marshall
Company Secretary

29 September 2025

Independent audit report

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

Independent auditor’s report to the Directors of Tugun & District Finances Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Tugun & District Finances 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 Tugun & District Finances 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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ABN: 65 684 604 390
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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.

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

Jessica Ritchie
Lead Auditor

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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_46988160 08/09/2025