

Annual Report 2025

Valley Community
Financial Services Limited

Community Bank
Hurstbridge, Diamond Creek,
Eltham, Doreen-Mernda
and Kinglake Branches

ABN 86 092 399 730



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Year ending June 2025

I am pleased to present my 2025 report as Chair of Valley Community Financial Services (VCFS). The year 2024-2025 has again yielded very good financial results and has allowed us to advance our strategic initiatives focused on safeguarding shareholder value and enhancing the sustainability of our operations.

Whilst our profit margins have been up and down, somewhat dependant on the Reserve Bank's interest rate fluctuations, we have been able to maintain a good income stream with strong deposit growth and a wide mix of banking products. Our management and staff's vigilant approach in containing costs, growing our customer base, and expanding our banking book has equipped us well for the current market conditions. The results from this year will be remembered as still one of our most rewarding periods, thanks to the steadfast focus by the Board and the expertise of our staff and management team, led by Barry Henwood - CEO and Tina Elmer - Senior Manager.

In 2024-2025, we continue to experience good profit, allowing us to reward our shareholders with a dividend of 12 cents per share. With our shareholders investment secured by our property portfolio, VCFS is in a strong position to move to the next phase of our company development.

Two things which will influence the future company development are:-

1. Our Strategic Plan which sets out our:-

Vision - Everyday we engage with communities and customers by bringing their aspirations to life.

Our mission - We will continue to be a highly regarded community partner and build exceptional value in our community and

We will do this by being a - Profitable business fostering and empowering communities.

2. Our new Chief Executive Officer

The 2025-2026 year will see the retirement of our current CEO Barry Henwood who has been a gifted leader over the life of this company and he will be missed.

We have recruited a new CEO - Daryl Ellis, who comes with a wealth of Bendigo Bank experience, along with a lot of other retail and community experience. He will head the company as we lean into the challenges ahead.

I want to extend my heartfelt gratitude to my fellow directors and staff, whose unwavering support has been invaluable over the past year. Their commitment to our company and the principles of Community Banking has been inspiring.

We are fortunate to be part of a community enriched by the contributions of dedicated volunteers. Their efforts have fostered a vibrant social environment that, coupled with our connection to community groups, creates a collaborative spirit within our boardroom. This synergy embodies Community Banking's dedication to nurturing successful communities.

Our business thrives due to the strong support we receive from our community, which is built on the meaningful relationships established by our committed staff. We should take pride in what we have built and consistently advocate for the local branches and the Bendigo Bank brand that has enabled our success.

As we look to the future, let us remain committed to our shared vision and continue fostering the values that have made our company a cornerstone of our community.

Thank you for your continued support.



Carol Jenkinson
Chair

CEO's annual report.

Year ending June 2025

After 25 years of service - first as an inaugural Director when the company was formed in late 2000, then Deputy Chair, Chair for 11 years from 2007, and more recently Executive Director/CEO - this will be my final Annual Report for Valley Community Financial Services (VCFS). I have submitted my resignation and plan to retire in 2026.

To set the record straight, there was an administrative mix-up with the regulator (ASIC), but the Board minutes confirm that I attended every Board meeting during 2000 and 2001.

It has been a truly remarkable journey. From our launch in 2001, we achieved our first profitable month after just six months. By the end of our second full year, we paid dividends to shareholders. Our first major community contribution came in 2003 when we donated \$10,000 to Hurstbridge Primary School after its devastating New Year's Day fire.

Over the years we have:

- Opened a second branch in Diamond Creek, followed by a third branch in Kinglake, a fourth branch in Eltham and a fifth branch in Doreen/Mernda.
- Supported our Kinglake community during the 2009 bushfires, setting a corporate position of an integral member of the community we serve.
- Celebrated the opening of the Community Bank Stadium in 2012, at that time the largest project undertaken by a Community Bank.
- Funded countless projects across sporting facilities, community services, health, mental health, education, and aged care.

To date, close to **\$10 million of company profits** have been reinvested into the communities we serve. Alongside this, investors have enjoyed what can only be described as remarkable returns - regularly well in excess of 10% fully franked on their original investment.

I am enormously grateful to our shareholders for entrusting me with this role for so long. Ordinary people like me would never have had such an opportunity to make a meaningful community contribution without the Community Bank model. I encourage anyone with a passion for community service to consider nominating themselves as a director - you will be helping guide an outstanding business with a proud legacy.



2025 Financial Year Overview

The 2025 year has been another busy and rewarding period for VCFS. We continued to embrace change management and rapidly adapt to modern banking practices.

Lending Hub:

- Established a centralised lending hub at our Diamond Creek corporate headquarters.
- Appointed Jason Dirkx as Senior Lending Manager. Jason's career progression from Customer Relationship Manager to Business Development Manager and now Senior Lending Manager is a credit to his ability and leadership. As a mobile lender in 2025, Jason was the *top performer nationally* across the Bendigo Bank network - an extraordinary achievement.

Branch Management:

- Implemented a new multi-branch management structure.
- Mark Couche has been appointed Multi-Branch Manager for Hurstbridge, Kinglake, and Doreen-Mernda.
- Diamond Creek and Eltham branches now have dedicated Branch Operations Managers: Kath King (Diamond Creek) and Bernadette Brown (Eltham). Both are highly experienced, long-serving team members and are well suited to these roles.

Financial Performance:

- Margins contracted in 2025 following a couple of strong years, a recurring challenge since 2010. Retaining revenue requires continual growth in our banking book.
- Despite a difficult lending environment, our total banking book grew 9% for the year.
- Deposits showed excellent growth, while lending was more challenging.
- Gross revenue was slightly down, but disciplined cost control delivered a *slightly improved profit* compared to 2024.
- VCFS fell just \$2 million short of reaching the milestone of \$1 billion in banking book. What a tremendous credit to all our stakeholders from shareholders to customers and all the teams and communities in between.

Balance Sheet Strength:

VCFS remains in a very strong financial position.

- Paid out the loan drawn to purchase and renovate the Diamond Creek property - the location of our new Diamond Creek branch, corporate headquarters, three retail shops, and a warehouse - which are fully leased and generating returns.

As of 30 June 2025:

- \$6.4 million in property assets
- \$742,000 cash at bank
- Virtually no debt
- VCFS also has \$667,488 in the Community Enterprise Foundation ready for the next worthwhile community project(s).
- \$8.88 million in equity against approximately 4.1 million shares

Acknowledgements

Over 25 years, I have had the privilege of working alongside many remarkable people. Far too many to list but here are a few:

- Current Chair, Carol Jenkinson, and the present Board, as well as all previous Directors including Carols predecessor Malcolm Hackett
- My predecessor Chairs, Bruce Donnelly and our first Chair Dale Trezise.
- Senior Manager Tina Elmer, an outstanding operator.
- Support from Carla Lewis, Melissa Humphries, and Colleen Wiegand, who each served as my Executive Assistants.
- Our first Branch Manager, John Aitken,
- Our current Community Engagement Officer, Melinda De Bolfo.
- Current branch teams, past and present, who have embodied the values of VCFS.
- Bendigo Bank and their people, including regional managers David Tudor and Ashton Capp, who provided extraordinary guidance during the 2009 bushfire recovery.
- The team at the Community Enterprise Foundation, especially current CEO David Impey and his predecessor Callum Wright.
- And importantly, the community and its leaders, whose collaboration has created truly remarkable outcomes.
- Most of all my family. Janice who ran the business and raised our children while I was not there and our children. Katelyn, Maree and Jacqui who seemed to have grown up while I was at meetings.

Closing Remarks

It has been the honour of my professional life to serve as Director, Chair, and CEO of VCFS. I leave knowing the company is in a very strong position and in capable hands for the future.

While I will remain a shareholder, I will deeply miss working alongside you all. Thank you again for the privilege of leading this wonderful organisation.




Barry Henwood
Executive Director / CEO
Valley Community Financial Services Limited



Lending Hub

The Leadership vision for a Lending Hub came together in April 2025. This is a positive move in the restructure on how we do things in the future.

Centralising our lending team provides benefits for the staff and our customers. New lenders have a dedicated working space to learn from our experienced lenders. It will free up our Branch Managers to concentrate on the operations and management of their people. Coaching the staff on having holistic conversations which leads to uncovering lending needs thereby increasing the referrals to the Hub, which customers will truly experience "Moving Fast" through their loan journey.

Jason Dirkx, VCFS Business Development Manager was promoted to the Senior Lending Manager in April 2025. He brings 14 years of banking expertise, with the past 12 years dedicated to Bendigo Bank. Following a successful two-year period as a Business Development Manager, during which he facilitated the settlement of \$42 million in home loans in the last financial year,

Under Jason's leadership, the Lending Hub team collaborates closely with branch managers and staff. By implementing improved processes, we have created a smooth, efficient experience for our customers - whether they visit us in person, connect over the phone, or communicate via Microsoft Teams. All channels are now seamlessly integrated.

The Lending Hub operates in a dynamic and friendly environment. This setup offers valuable career development and growth opportunities for team members interested in home lending.

"I am proud of my recent achievements and look forward to what our Lending Hub will accomplish in the 2025-2026 financial year," says Jason.

Jason and his team are ready to assist with your banking needs and support your journey toward achieving your financial goals.

Contact Jason Dirkx - Senior Lending Manager on 0499 554 870 or jason.dirkx@bendigoadelaide.com.au.

Senior Manager's report.

Year ending June 2025

Another year has concluded, marked by positive results in both deposits and lending. The popularity of the Victorian Home Loan Scheme, along with two rate decreases in February and May of 0.25%, played a significant role in our growth this year. This success wouldn't have been possible without our dedicated staff engaging with customers and encouraging them to review their home loans. A special mention goes to our Business Development Manager, Jason Dirkx, who ended the year with 82 settlements totalling \$43,195,455, as well as our lending team, who successfully converted opportunities into applications, approvals, and settlements-delivering happy customers all around.

Our most notable achievement was a 10.71% increase in deposits; a remarkable feat given how volatile deposits can be. I attribute this growth to the strong relationships our staff develop with customers through meaningful financial conversations and the diverse product offerings that allow customers to earn competitive rates on at-call funds.

As of June 30, 2025, our total footings stand at \$998 million, reflecting an \$81 million increase from the previous year.

Group Business Size June 25

VCFS LTD	Balance as at 30/06/2024	2024/25	GROWTH	GROWTH %
DEPOSITS	531,123	588,054	56,931	10.71
LENDING	385,876	410,243	24,367	6.31
TOTAL	916,999	998,297	81,298	8.86

Book Size by Branches and Growth YTD June 25

BRANCHES	DEPOSITS 2024/25	GROWTH	LENDING 2024/25	GROWTH	OVERALL GROWTH
HURSTBRIDGE	189,007	21,462	127,640	-2,069	19,393
DIAMOND CREEK	161,905	10,415	81,875	-1,100	9,315
KINGLAKE	36,421	569	23,692	163	732
ELTHAM	135,294	14,633	104,751	11,238	25,871
DOREEN/MERENDA	65,427	9,852	72,285	16,135	25,987

Both our branch teams and lenders remain focused on nurturing and developing long-lasting relationships, with the goal of creating advocates for our services. The recent centralization of our lending team in April, led by Jason Dirkx, has already proven to be a positive move, benefiting both our group and our customers. Our committed staff continue to adhere to policies and procedures while helping customers navigate the evolving digital banking landscape. Their dedication to sustaining growth in lending and deposits, alongside providing exceptional customer support, is truly commendable.

I want to extend my heartfelt gratitude to our caring staff members. Your unwavering commitment to our customers and communities, especially during challenging times, is invaluable. I am proud to have you as part of our team.

To the board of directors, your ongoing support and guidance are deeply appreciated by everyone here.

Finally, a special thank you to our administration team, Melinda De Bolfo, Louise Danson, and Carla Lewis, for their behind-the-scenes efforts. It's always a pleasure working alongside you.

While the next 12 months will undoubtedly bring new challenges, especially with the rapidly changing landscape of banking technology, I am confident that we have the right people in the right roles to adapt quickly and execute our strategies successfully.

The path to success is rarely straight; it's the obstacles and setbacks that truly test our resilience and thinking.



Tina Elmer
Senior Manager



**“We are what we repeatedly do.
Excellence, then, is not an act,
but a habit.” - Aristotle.**

Treasurer's report.



Year ending June 2025

To Our Shareholders and Stakeholders,

I am pleased to present the financial results for the 2025 financial year, reflecting the company's continued progress and strategic decisions.

Financial Performance Overview

For 2025, our Profit After Tax stood at \$1,652,858, a slight increase from \$1,605,971 in 2024. Our Earnings Per Share (EPS) improved to 40.79 cents, up from 39.64 cents in the previous year. Our Return on Equity (ROE) for 2025 was 18.6%, a decrease from 21.13% in 2024. This decrease is primarily due to our strategic decision to use cash reserves to retire debt associated with our property holdings. While this impacted our ROE in the short term, this decision strengthens the company's balance sheet and positions us well to seize future growth opportunities.

Revenue and Expense Performance

Despite strong growth in financial assets under management—which increased by 8.8%—market competition and product discounting led to a 1.95% decrease in revenue compared to 2024.

On a positive note, we successfully reduced operating expenses by 4.42% year-over-year, driven by our transition from leased properties to owned properties and adjustments in our staffing structure. The acquisition of commercial properties in Hurstbridge and Diamond Creek has provided a reliable new revenue stream, contributing positively to our financial results.

Community Engagement

We remain committed to supporting the communities in which we operate. In 2025, we contributed \$161,244 in sponsorships and grants to local organizations and sporting clubs. Additionally, we deposited \$105,263 into the Community Enterprise Foundation (CEF) for future community projects, reinforcing our commitment to social responsibility.

Dividend Announcement

The Board of Directors is confident in the company's strong financial position and future prospects. Accordingly, we are pleased to recommend a dividend of 12 cents per share for the 2025 financial year, which is expected to be paid in October 2025.

Further Information

For additional details, the summary financial data and performance graphics accompanying this report are based on the audited financial statements for 2025. I encourage you to refer to the full audited financial statements in the 2025 annual report for a deeper understanding of the company's financial performance.



\$988 Million
Income Earning
Loans and Deposits
Up 8.8%



\$7.022 million Revenue
\$1.605 Profit
(Before Tax, Community
Grants and Sponsorships)



Investment in our communities
\$161,244 - Grants and
sponsorships \$105,263 to the
CEF for future community use



9.0 Cents
Shareholder Distribution
(Fully franked per share
October 2024)



40.79 Cents
Earnings per share



\$2.193
Net Assets per share



Phillip Burt CPA (ASA)
Treasurer

Directors' report.

The Directors present their report, together with the financial statements, on Valley Community Financial Services Limited for the financial year ended 30 June 2025.

Board of Directors

The following persons were Directors of Valley Community Financial Services Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Carol Jenkinson

Title: Chair - Independent Director

Qualifications: Dip Business Studies (Travel & Tourism), IATA International Travel Consultant (ITC) and Certification for Training.

Experience & Expertise: Carol brings a diverse background in travel and marketing, complemented by active involvement in several community organisations, including the Hurstbridge Wattle Festival, Panton Hill Football Netball Club, and the College Council at Diamond Valley College. Recognised for her contributions to the Nillumbik area, she has received multiple awards acknowledging her dedication and service to the community.

Michael Maloney

Title: Deputy Chair - Independent Director

Experience & Expertise: Michael enjoyed a distinguished 39 year career in banking particularly with Bendigo and Adelaide Bank Community Banking at Strathmore and the with Valley Community Financial Services as Senior Manager and then a Mobile Relationship Manager. Michael is an active contributor to his local community with Eltham's sporting associations and the Heidelberg Golf Club.

Phillip Burt

Title: Treasurer - Independent Director

Qualifications: B.Economics, CPA (ASA).

Experience & Expertise: Phillip is a seasoned Quality and Risk specialist, specializing in QMS (ISO Quality, Environment and Safety) certification services for clients across Government Services, Logistics, Civil Works, Social Services and Employment Services sectors. Prior to transitioning into consulting, he served as a Student Housing Specialist at prominent Victorian and international Universities, including the University of Melbourne, La Trobe University, and Arcadia University (College of Global Studies).

Heidi Crundwell

Title: Company Secretary - Independent Director

Qualifications: Bachelor of Business (Marketing)

Experience & Expertise: Heidi is currently a Project Manager at the State Government, where she leads major industry transition projects. Prior to that, she spent over 14 years working with Main Street and regional tourism groups, offering marketing strategy and small-business support. Heidi is deeply committed to supporting local businesses and communities, and is an active volunteer with various local community and sporting groups.

Barry Henwood

Title: CEO - Non Independent Director

Qualifications: DipHort Sci, Grad Dip Acc, GAIC

Experience & Expertise: Barry has been a small business operator for 40 years, with 25 years of experience in retail management, including Newsagents, Post Offices, and Tattersall outlets. Throughout his life, he has demonstrated a strong commitment to community involvement, holding leadership roles in community associations such as local tennis clubs, his church parish, and a political party. Additionally, he serves as a Foundation Director and former Chair for 11 years of VCFS and currently chairs the Gippsland Community Foundation, reflecting his dedication to community development and service.

Greg Paull

Title: Non Independent Director

Qualifications: Bachelor of Business (Accounting), CPA

Experience & Expertise: Greg is a licensed builder and is a Founder and Director of Transform Homes, a local construction company. He is an engaged member of the Rotary Club of Diamond Creek, having served as President from 2015 to 2016. Based in Yarrambat, Greg has also lived and worked internationally in various roles, bringing a diverse and global perspective to his professional and community endeavours.

Philip Marendaz

Title: Non Independent Director

Qualifications: FCPA, B.Comm. Grad Dip Accounting

Experience & Expertise: Philip has a distinguished career in accounting and commercial management, having worked with major Australian public companies. He is a Fellow of CPA Australia, and for 20 years operated his own accounting and business advisory practice with offices in Diamond Creek and Thomastown. Additionally, Philip has served as President of the Diamond Creek Traders Association, is a director of two registered charities, the Arthurs Creek Community Centre and Boots for All and is an active member of the Diamond Creek Rotary Club, demonstrating his ongoing commitment to community engagement and professional excellence.

Michael McBrien

Title: Independent Director

Qualifications: Bachelor of Management

Experience & Expertise: Michael serves as Key Account and Project Manager at Total Communications, a brand within Paragon Care Group Australia Pty Ltd. In this role, he is responsible for managing key client accounts, overseeing projects, coordinating contractors, and leading staff to ensure the successful delivery of services and solutions.

Robert Charlesworth

Title: Independent Director

Experience & Expertise: Rob brings over 30 years of extensive experience as a community volunteer, with a notable focus on his work with Scouts Victoria. In his role as Government and Community Engagement Manager, he was responsible for implementing Scouts Victoria's growth strategy. Additionally, Rob has significant expertise in community engagement and development, having served as Community Partnership and Engagement Officer at Sunbury and Cobaw Community Health. There, he facilitated programs such as RU OK?, Sunbury Men's Shed, and Sunbury Sons of the West, demonstrating his commitment to strengthening community connections and well-being.

Directors were in office for this entire year unless otherwise stated.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meeting	Audit	Policy	Community Strengthening	Task Force	Finance
Barry Henwood	11	-	-	4	3	9
Phillip Burt	11	6	7	2	3	9
Philip Marendaz	11	-	-	-	3	10
Carol Jenkinson	11	1	7	6	3	9
Heidi Crundwell	9	6	-	6	2	-
Rob Charlesworth	9	-	-	5	2	-
Michael McBrien	9	6	7	2	2	-
Michael Maloney	10	5	-	-	3	10
Greg Paull	10	-	-	2	3	9

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Heidi Crundwell

Qualifications: Bachelor of Business (Marketing)

Experience & Expertise: Heidi is currently a Project Manager at the State Government, where she leads major industry transition projects. Prior to that, she spent over 14 years working with Main Street and regional tourism groups, offering marketing strategy and small-business support. Heidi is deeply committed to supporting local businesses and communities, and is an active volunteer with various local community and sporting groups.

Principal Activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit of the Company for the financial year after provision for income tax was:

	30 June 2025 (\$)	30 June 2024 (\$)	Movement
Profit After Tax	1,652,858	1,605,971	3%

Trading activity was consistent with last year which produced another strong financial performance. Continued improvement in cashflow from operations enabled borrowings to be paid down by \$950,514 from \$952,562 at 30 June 2024 to \$2,048 at 30 June 2025. Cash position increased by \$211,647 from the prior year.

Directors' Benefits

The following Directors have material interest in contracts or proposed contracts with the company.

- Barry Henwood - CEO - Valley Community Financial Services Ltd
- Phillip Marendaz - JPM Advisory - Company Accountant
- Greg Paull - Transform Homes - Project Manager - 60 Main Hurstbridge Road, Diamond Creek

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2024	Changes During the Year	Balance at 30 June 2025
Carol Jenkinson	-	-	-
Michael Maloney	-	-	-
Phillip Burt	-	-	-
Heidi Crundwell	25,000	-	25,000
Barry Henwood	11,000	-	11,000
Greg Paull	5,000	-	5,000
Philip Marendaz	5,000	-	5,000
Michael McBrien	-	-	-
Robert Charlesworth	-	-	-

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	9	\$364,670
Total Amount	9	\$364,670

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the Company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

The Company will continue its policy of providing banking services to the community.

The company will enter into a renewed franchise agreement for all five branches for a further five years in the next financial year.

Directors' report. (continued)

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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.

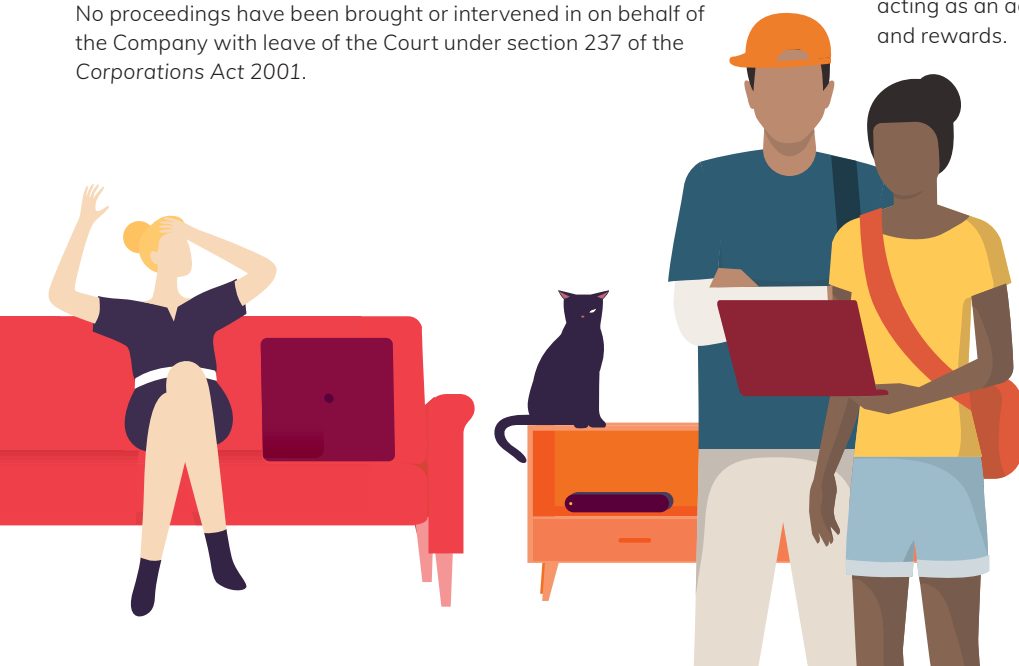
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit Services

The Company did not 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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 31 to the accounts.

The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 on page 11 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Diamond Creek, Victoria.

A handwritten signature in black ink, appearing to read 'C Jenkinson', written in a cursive, flowing style.

Carol Jenkinson
Chair/Director

Dated this 10th day of September, 2025

Auditor's independence declaration.



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Valley Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Valley Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A blue ink signature of Mahesh Silva.

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 12 September 2025

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements.

For the year ended 30 June 2025.

Statement of profit or loss and other comprehensive income

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	7	6,745,347	6,869,134
Other revenue	8	276,187	292,229
Finance income	9	641	474
		7,022,175	7,161,837

Expenses			
Employee benefits expense	10	(3,200,544)	(3,113,661)
Depreciation and amortisation	10	(285,288)	(473,689)
Finance costs	10	(14,913)	(49,633)
Administration and general costs		(499,920)	(501,835)
Occupancy expenses		(212,473)	(228,217)
IT expenses		(142,750)	(137,011)
Auditor remuneration		(8,100)	(7,650)
Marketing & Promotion		(70,661)	(55,661)
Other expenses		(112,291)	(189,977)
		(4,546,940)	(4,757,334)

Operating profit before charitable donations and sponsorship		2,475,235	2,404,503
Charitable donations and sponsorship	10	(266,507)	(267,276)
Profit before income tax		2,208,728	2,137,227
Income tax expense	11	(555,870)	(531,256)
Profit for the year after income tax		1,652,858	1,605,971
Other comprehensive income		-	-
Total comprehensive income for the year		1,652,858	1,605,971
Profit attributable to the ordinary shareholders of the company		1,652,858	1,605,971
Total comprehensive income attributable to ordinary shareholders of the company		1,652,858	1,605,971

Earnings per share		¢	¢
- basic and diluted earnings per share	33	40.79	39.64

The accompanying notes form part of these financial statements.



Statement of Financial Position

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	742,635	530,988
Trade and other receivables	13	517,312	577,390
Financial assets	14	20,816	20,174
Other assets	15	21,891	68,311
Total current assets		1,302,654	1,196,863
Non-current assets			
Property, plant and equipment	16	2,025,004	2,066,011
Right-of-use assets	17	503,975	619,714
Investment Properties	18	6,410,103	6,426,408
Intangible assets	19	16,170	81,025
Deferred tax assets	20	95,908	56,522
Total non-current assets		9,051,160	9,249,680
Total assets		10,353,814	10,446,543

Liabilities			
Current liabilities			
Trade and other payables	21	390,382	754,353
Current tax liability	20	115,074	98,948
Borrowings	22	2,048	427,298
Lease liabilities	23	84,259	131,521
Employee benefits	24	382,374	327,963
Total current liabilities		974,137	1,740,083
Non-current liabilities			
Borrowings	22	-	525,264
Lease liabilities	23	437,026	516,401
Employee benefits	24	55,829	66,161
Total non-current liabilities		492,855	1,107,826
Total liabilities		1,466,992	2,847,909

Net assets		8,886,822	7,598,634
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Equity			
Issued capital	25	2,055,876	2,055,876
Retained earnings	26	6,830,946	5,542,758
Total equity		8,886,822	7,598,634

The accompanying notes form part of these financial statements.

Notes to the financial statements.

For year ending June 30 2025.

Statement of Changes in Equity

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2023		2,055,876	4,423,015	6,478,891
Comprehensive income for the year				
Profit for the year		-	1,605,971	1,605,971
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	32	-	(486,228)	(486,228)
Balance at 30 June 2024		2,055,876	5,542,758	7,598,634

Balance at 1 July 2024		2,055,876	5,542,758	7,598,634
Comprehensive income for the year				
Profit for the year		-	1,652,858	1,652,858
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	32	-	(364,670)	(364,670)
Balance at 30 June 2025		2,055,876	6,830,946	8,886,822

The accompanying notes form part of these financial statements.

Statement of Cash Flows

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		7,078,249	7,798,481
Payments to suppliers and employees		(4,319,700)	(4,956,040)
Interest paid		(50,305)	(57,653)
Interest received		641	474
Income tax paid		(595,257)	(1,201,263)
Net cash flows provided by operating activities	27b	2,113,628	1,583,999

Cash flows from investing activities			
Purchase of property, plant and equipment		(35,205)	(205,973)
Purchase of investments		(344,407)	(297,116)
Purchase of intangible assets		(76,605)	(76,605)
Net cash flows used in investing activities		(456,217)	(579,694)

Cash flows from financing activities			
Repayment of borrowings		(950,514)	(1,244,225)
Repayment of lease liabilities		(130,580)	(256,245)
Dividends paid		(364,670)	(486,228)
Net cash flows used in financing activities		(1,445,764)	(1,986,698)

Net increase/(decrease) in cash held		211,647	(982,393)
Cash and cash equivalents at beginning of financial year		530,988	1,513,381
Cash and cash equivalents at end of financial year	27a	742,635	530,988

The accompanying notes form part of these financial statements.

NOTE 1. CORPORATE INFORMATION

These financial statements and notes represent those of Valley Community Financial Services Limited (the Company) as an individual entity. Valley Community Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 28th September 2025.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 30.

NOTE 2. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branches:

- Community Bank Hurstbridge
- Community Bank Diamond Creek
- Community Bank Eltham
- Community Bank Doreen-Mernda
- Bendigo Bank Kinglake

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo and Adelaide Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

All deposits are made with Bendigo and Adelaide Bank, and all personal and investment products are products of Bendigo and Adelaide 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 and Adelaide Bank, must be approved by Bendigo and Adelaide Bank. All credit transactions are made with Bendigo and Adelaide Bank, and all credit products are products of Bendigo and Adelaide 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 the relevant Bendigo and Adelaide Bank entity 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 and Adelaide 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
- 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.

Notes to the financial statements.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue From Contracts With Customers

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank. The company delivers banking and financial services of Bendigo and Adelaide 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. Under AASB 15 Revenue from Contracts with Customers (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue
Franchise agreement profit share
Includes
Margin, commission and fee income
Performance Obligation
When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank)
Timing of Recognition
On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – margin, commission and fee income. Bendigo and Adelaide 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

Margin is arrived at through the following calculation:

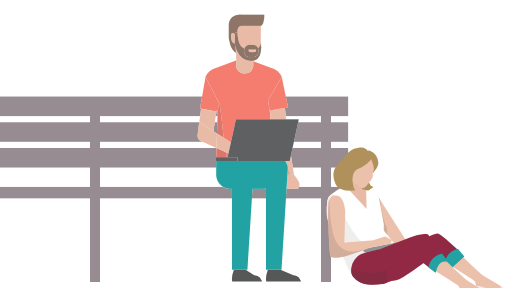
Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by Bendigo and Adelaide bank on deposits)
minus
Any costs of funds (i.e. interest applied by Bendigo and Adelaide bank to fund a loan)

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

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.



Fee Income

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

Core Banking Products

Bendigo and Adelaide 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 and Adelaide Bank branded home loans, term deposits and at call deposits.

Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

(c) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo and Adelaide Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo and Adelaide Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo and Adelaide Bank.

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income 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.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Investment Properties Capital Improvements	Straight line	2.50%
Leasehold improvements	Diminishing value	4% to 5%
Plant & equipment	Diminishing value	25% - 75%
Motor vehicles	Diminishing value	25%

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo and Adelaide Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the financial statements.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 10 working days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2025.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonably certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has lease agreements in place for all occupied tenancies in their investment property portfolio.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2024 that are expected to have a significant impact on the Company's financial statements.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 23 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors."

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 20 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 24 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

NOTE 5. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2025		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	521,285	152,900	449,088	-

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk.

The Company held cash and cash equivalents of \$742,635 at 30 June 2025 (2024: \$530,988). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.



Notes to the financial statements.

NOTE 6. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) 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 year ended 30 June 2024 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 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025 \$	2024 \$
Revenue		
- Revenue from contracts with customers	6,745,347	6,869,134
Disaggregation of Revenue From Contracts With Customers		
- Margin income	6,201,912	6,320,121
- Fee income	273,927	285,871
- Commission income	269,508	263,142
	6,745,347	6,869,134

All revenue from contracts with customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

NOTE 8. OTHER REVENUE

The Company generates other sources of revenue as outlined below.

	2025 \$	2024 \$
Other Revenue		
- Rental Income	270,989	269,170
- Other Income	5,198	23,059
	276,187	292,229

NOTE 9. FINANCE INCOME

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025 \$	2024 \$
Finance Income		
At amortised cost:	-	-
- Distribution from investment	313	267
- Interest from term deposits	328	207
	641	474

NOTE 10. EXPENSES

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2025 \$	2024 \$
Employee Benefits Expense		
- Wages & salaries	2,519,496	2,446,380
- Superannuation costs	291,873	264,600
- Other expenses related to employees	211,078	189,797
- Seconded employees	178,097	208,384
- Contractors	-	4,500
	3,200,544	3,113,661

	2025 \$	2024 \$
Depreciation of Non-current Assets		
- leasehold improvements	13,091	18,264
- plant and equipment	52,921	22,216
- motor vehicles	10,199	13,597
- investment property building new capital works	24,541	1,336
	100,752	55,413

Write off of Non-current Assets		
- Diamond Creek relocation write off	-	127,155
	-	127,155

Depreciation of Right-of-use Assets		
- leased buildings	119,681	226,265
	119,681	226,265

Amortisation of Intangible Assets		
- franchise fees	64,855	64,856
	64,855	64,856
Total depreciation & amortisation expense	285,288	473,689

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

	Note	2025 \$	2024 \$
Finance Costs			
- Interest paid		14,913	49,633
		14,913	49,633

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

(d) Community Investments & Sponsorship

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 and grants).

	Note	2025 \$	2024 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		161,244	176,367
- Contribution to the Community Enterprise Foundation™	10(e)	105,263	90,909
		266,507	267,276

NOTE 10: EXPENSES (CONTINUED)

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

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

(e) Community Enterprise Foundation™ (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo and Adelaide Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2025 \$	2024 \$
Disaggregation of CEF Funds			
Opening balance		651,278	551,603
Contributions paid	10(d)	105,263	90,909
Grants paid out		(111,180)	(11,180)
Interest received		27,390	24,491
Management fees incurred		(5,263)	(4,545)
Balance available for distribution		667,488	651,278

NOTE 11. INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2025 \$	2024 \$
Current tax expense	595,257	530,513
Deferred tax expense	(39,387)	743
	555,870	531,256

(b) Prima Facie Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2025 \$	2024 \$
Prima facie tax on profit before income tax at 25% (2024: 25%)	552,182	534,307

Add Tax Effect Of:

- Non deductible franchise fee amortisation	10,809	10,809
- Temporary Differences	-	(25,983)
- Movement in deferred tax	39,386	743
Income tax attributable to the entity	602,377	519,876

The applicable weighted average effective tax rate is:	25.17%	24.86%
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NOTE 12. CASH & CASH EQUIVALENTS

	2025 \$	2024 \$
Cash at bank and on hand	428,665	316,816
Short-term bank deposits	313,970	214,172
	742,635	530,988

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

NOTE 13. TRADE & OTHER RECEIVABLES

	2025 \$	2024 \$
Current		
Trade receivables	517,312	577,390
	517,312	577,390

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

NOTE 14. FINANCIAL ASSETS

	2025 \$	2024 \$
At Amortised Cost		
Term deposits	13,883	13,555
Other investments	6,933	6,619
	20,816	20,174

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

NOTE 15. OTHER ASSETS

	2025 \$	2024 \$
Prepayments	12,359	54,856
Prepaid Borrowing Expenses	9,532	13,455
	21,891	68,311

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

NOTE 16. PROPERTY, PLANT & EQUIPMENT

(a) Carrying Amounts

	2025 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	1,385,759	-	1,385,759
Leasehold improvements	537,873	163,041	374,832
Plant & equipment	730,238	496,420	233,818
Motor vehicles	102,127	71,532	30,595
Total	2,755,997	730,993	2,025,004

	2024 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	1,385,759	-	1,385,759
Leasehold improvements	537,873	149,950	387,923
Plant & equipment	695,033	443,499	251,534
Motor vehicles	102,127	61,332	40,795
Total	2,720,792	654,781	2,066,011

Notes to the financial statements.

NOTE 16: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

(b) Movements in Carrying Amounts

2025	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	1,385,759	387,923	251,534	40,795	2,066,011
Additions	-	-	35,205	-	35,205
Depreciation expense	-	(13,091)	(52,921)	(10,200)	(76,212)
Closing carrying value	1,385,759	374,832	233,818	30,595	2,025,004

2024	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	1,385,759	522,686	78,433	54,392	2,041,270
Additions	-	-	205,973	-	205,973
Disposals	-	(116,499)	(10,656)	-	(127,155)
Depreciation expense	-	(18,264)	(22,216)	(13,597)	(54,077)
Closing carrying value	1,385,759	387,923	251,534	40,795	2,066,011

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

NOTE 17. RIGHT-OF-USE ASSETS

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2025 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leased Buildings	854,627	350,652	503,975
Total	854,627	350,652	503,975

	2024\$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leased Buildings	853,538	233,824	619,714
Total	853,538	233,824	619,714

Movements in carrying amounts:

2025 \$	Leased Buildings \$	Total ROU Asset \$
Opening balance	619,714	619,714
Drawdown value adjustment	3,942	3,942
Depreciation expense	(119,681)	(119,681)
Net carrying amount	503,975	503,975

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2025 \$	2024 \$
Depreciation expense related to right-of-use assets	119,681	226,265
Interest expense on lease liabilities	16,215	22,022

NOTE 18. INVESTMENT PROPERTIES

	2025 \$	2024 \$
Investment Property - Carrying value	6,410,103	6,426,408
	6,410,103	6,426,408

Investment property is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, the company has elected to measure investment property using the cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The property rental income from the company's investment properties, which are leased out under operating leases, amounted to \$270,989. Direct operating expenses (including repairs and maintenance, interest) arising from the rental - generating investment properties amounted to \$85,460. Net Rental Income for the year \$185,529.

Rental income is recognised on the value of invoices raised during the financial year.

The Company elected not to depreciate the initial purchase of investment properties as the valuation of the properties is consistent with the cost of acquisition. Capital Building works post the purchase of the investment properties are depreciated at 2.5% per annum.

(a) Reconciliation of the carrying value of investment property

	2025 \$	2024 \$
Opening Balance	6,426,408	5,795,588
Additions	8,236	632,156
Depreciation	(24,541)	(1,336)
Closing Balance	6,410,103	6,426,408

(b) Capital expenditure commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

(c) Fair value of investment property

As the property was purchased recently and cost price is taken to be reasonable estimate of the fair value of the property as at 30th June 2025.

NOTE 19. INTANGIBLE ASSETS

(a) Carrying Amounts

	2025 \$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	546,992	530,822	16,170
	546,992	530,822	16,170

	2024 \$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	546,992	465,967	81,025
	546,992	465,967	81,025

(b) Movements in Carrying Amounts

2025	Franchise Fees \$	Total
Opening carrying value	81,025	81,025
Amortisation expense	(64,855)	(64,855)
Closing carrying value	16,170	16,170

2024	Franchise Fees \$	Total
Opening carrying value	145,881	145,881
Amortisation expense	(64,856)	(64,856)
Closing carrying value	81,025	81,025

NOTE 20. TAX ASSETS & LIABILITIES

(a) Current Tax

	2025 \$	2024 \$
Income tax payable	115,074	98,948

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 \$	Recognised in P & L \$	30 June 2025 \$
Deferred Tax Assets			
- Expense accruals	22,351	15,090	37,441
- Right -of-use assets	7,052	(2,725)	4,327
- Employee provisions	98,531	11,020	109,551
Total deferred tax assets	127,934	23,385	151,319

Deferred Tax Liabilities			
- Prepayments	(17,078)	11,605	(5,473)
- Property, plant & equipment	(54,334)	4,396	(49,938)
Total deferred tax liabilities	(71,412)	16,001	(55,411)

Net deferred tax assets	56,522	39,386	95,908
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Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P & L \$	30 June 2024 \$
Deferred Tax Assets			
- Expense accruals	18,527	3,824	22,351
- Right -of-use assets	8,507	(1,455)	7,052
- Employee provisions	80,793	17,738	98,531
Total deferred tax assets	107,827	20,107	127,934

Deferred Tax Liabilities			
- Accrued income	(4)	4	-
- Prepayments	(13,415)	(3,663)	(17,078)
- Property, plant & equipment	(37,143)	(17,191)	(54,334)
Total deferred tax liabilities	(50,562)	(20,850)	(71,412)

Net deferred tax assets	57,265	(743)	56,522
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NOTE 21. TRADE & OTHER PAYABLES

	2025 \$	2024 \$
Current		
Trade creditors	25,156	158,522
Other creditors and accruals	365,226	260,302
Accrued Capital Expenditure	-	335,529
	390,382	754,353

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 22. BORROWINGS

	2025 \$	2024 \$
Current		
Secured Liabilities		
Bank loan	2,048	427,298
	2,048	427,298

Secured Liabilities		
Bank loan	-	525,264
	-	525,264

Total borrowings	2,048	952,562
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Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measures at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 6.735%. This loan was created to fund the purchase of the Hurstbridge branch at 808 Heidelberg - Kinglake Road Hurstbridge and is secured by 808 Heidelberg - Kinglake Road Hurstbridge. There is a redraw facility of \$760,596. Book value is \$1,385,759.

Notes to the financial statements.

NOTE 23. LEASE LIABILITIES

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 7.0%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Eltham Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in September 2020. The lease has one further five year extension option available.
Kinglake Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in August 2017. Exercised option extended the lease for a further five years starting from August 2022. The lease has one further five year extension option available.
Doreen Branch	The lease agreement is a non-cancellable lease with an initial term of three years which commenced in May 2021. Option exercised with a new lease started in May 2024. The lease has no further extension option available.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 \$	2024 \$
Current	84,259	131,521
Non-current	437,026	516,401

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows:

30 June 2025	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
Lease payments	152,900	247,876	201,212	-	601,988
Finance charges	(25,929)	(38,847)	(15,927)	-	(80,703)
Net present values	126,971	209,029	185,285	-	521,285

30 June 2024	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
Lease payments	147,514	153,458	327,693	115,305	743,970
Finance charges	(15,994)	(27,429)	(47,388)	(5,237)	(96,048)
Net present values	131,520	126,029	280,305	110,068	647,922

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2025 \$	2024 \$
Variable lease payments	45,781	45,113
	45,781	45,113

Total cash outflows for leases for the year ended 30 June 2025 was \$45,781 (2024: \$45,113).

NOTE 24. EMPLOYEE BENEFITS

	2025 \$	2024 \$
Current		
Provision for annual leave	183,533	174,337
Provision for long service leave	198,841	153,626
	382,374	327,963

Non-Current		
Provision for long service leave	55,829	66,161
	55,829	66,161

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

NOTE 25. ISSUED CAPITAL

(a) Issued Capital

	2025	
	Number	\$
Ordinary shares - fully paid	4,051,890	2,055,876
	4,051,890	2,055,876

	2024	
	Number	\$
Ordinary shares - fully paid	4,051,890	2,055,876
	4,051,890	2,055,876

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2025 \$	2024 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	4,051,890	4,051,890
At the end of the reporting period	4,051,890	4,051,890

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

NOTE 26. RETAINED EARNINGS

	Note	2025 \$	2024 \$
Balance at the beginning of the reporting period		5,542,758	4,423,015
Profit for the year after income tax		1,652,858	1,605,971
Dividends paid	32	(364,670)	(486,228)
Balance at the end of the reporting period		6,830,946	5,542,758

NOTE 27. CASH FLOW INFORMATION

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2025 \$	2024 \$
Cash and cash equivalents	12	742,635	530,988
As per the Statement of Cash Flows		742,635	530,988

(b) Reconciliation of cash flow from operations with profit after income tax

	2025 \$	2024 \$
Profit for the year after income tax	1,652,858	1,605,971
Non-cash flows in profit		
- Depreciation	220,433	281,678
- Amortisation	64,855	64,856
- Bad debts	2,640	2,922
- ROU Adjustment	-	(465)
- Net (profit) / loss on disposal of property, plant & equipment	-	127,155

Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	57,438	93,874
- (Increase) / decrease in prepayments and other assets	46,420	9,975
- (Increase) / decrease in deferred tax asset	(39,386)	743
- Increase / (decrease) in trade and other payables	48,164	(2,911)
- Increase / (decrease) in current tax liability	16,125	(670,749)
- Increase / (decrease) in provisions	44,081	70,950
Net cash flows from operating activities	2,113,628	1,583,999

NOTE 28. FINANCIAL INSTRUMENTS

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2025 \$	2024 \$
Financial Assets			
Trade and other receivables	13	517,312	577,390
Cash and cash equivalents	12	742,635	530,988
Term deposits	14	13,883	13,555
		1,273,830	1,121,933
Financial Liabilities			
Trade and other payables	21	390,382	754,353
Borrowings	22	2,048	952,562
Lease liabilities	23	521,285	647,922
		913,715	2,354,837

NOTE 29. RELATED PARTIES

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2025 \$	2024 \$
Short-term employee benefits	193,496	182,658
Post-employment benefits	22,265	20,536
Other long-term benefits	2,083	-
Total key management personnel compensation	217,844	203,194

Short-term Employee Benefits

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

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
BPAG Epping Pty Ltd - Related party of Director Philip Marendaz	Accounting Services	76,220
Transform Homes Pty Ltd - Related party of Director Greg Paull	Building and Construction Services	40,379

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There have been no other transactions key management or related parties other than those described above.



Notes to the financial statements.

NOTE 31. AUDITOR'S REMUNERATION

The appointed auditor of Valley Community Financial Services Limited for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	8,100	7,650
	8,100	7,650

NOTE 32. DIVIDENDS

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2025 \$		2024 \$	
	Number	\$	Number	\$
Fully franked dividend	4,051,890	364,670	4,051,890	486,228
Dividends provided for and paid during the year	4,051,890	364,670	4,051,890	486,228

NOTE 33. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025 \$	2024 \$
Profit attributable to ordinary shareholders	1,652,858	1,605,971
	Number	Number
Weighted average number of ordinary shares	4,051,890	4,051,890
	¢	¢
Basic and diluted earnings per share	40.79	39.64

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

NOTE 35. COMMITMENTS & CONTINGENCIES

Any commitments for future expenditure associated with leases are recorded in Note 23. Details about any capital commitments are detailed in Note 16(c).

The Company is finalising the renewal of the franchise agreements for all five branches for a further five years. The franchise renewal fees total \$401,250.

There were no other contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

NOTE 36. COMPANY DETAILS

The registered office of the Company is:

Valley Community Financial Services Ltd
2&3, 60 Main Hurstbridge Road, Diamond Creek VIC 3089

The principal places of business are:

- **Hurstbridge, Victoria**
808 Main Road, Hurstbridge VIC. 3099
- **Diamond Creek, Victoria**
Shop 5, 60 Main Hurstbridge Road, Diamond Creek, VIC. 3089
- **Eltham, Victoria**
Shop 3, 958 Main Road, Eltham, VIC. 3095
- **Doreen, Victoria**
Shop 3a, 101 Hazel Glen Drive, Doreen, VIC. 3754
- **Kinglake, Victoria**
Shop 4, Victoria Road, Kinglake, VIC. 3763

Consolidated Entity Disclosure Statement

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001.

Valley Community Financial Services Ltd. has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Director's declaration.

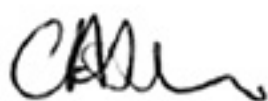
For the year ended 30 June 2025

In accordance with a resolution of the directors of Valley Community Financial Services Limited, we state that:

In the opinion of the directors:

- The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - giving 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; and
 - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- The information disclosed in the attached consolidated entity disclosure statement, on page 24 is true and correct.

This declaration is made in accordance with a resolution of the board of directors.



Carol Jenkinson
Chair/Director
Dated this 10th day of September, 2025

Independent audit report.



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Bendigo, Victoria
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (iii) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (iv) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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.

RSD Audit Pty Ltd
ABN 85 619 186 908

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Independent audit report.



Other Information

Those charged with governance 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.



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* (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.

RSD Audit
Chartered Accountants

A blue ink signature, likely of Mahesh Silva, written in a cursive style.

Mahesh Silva
Partner
Bendigo
Dated: 12 September 2025

Community Bank - Hurstbridge
808 Main Road, Hurstbridge VIC 3099
Phone: 9718 0431 Fax: 9718 0166
Email: hurstbridge@bendigobank.com.au
Web: bendigobank.com.au/hurstbridge

Community Bank - Diamond Creek
Shop 5, 60 Main Hurstbridge Road, Diamond Creek VIC 3089
Phone: 9438 4133 Fax: 9438 6930
Email: diamondcreek@bendigobank.com.au
Web: bendigobank.com.au/diamondcreek

Community Bank - Eltham
Shop 3/958 Main Road, Eltham VIC 3095
Phone: 9439 0188 Fax: 9431 4667
Email: eltham@bendigobank.com.au
Web: bendigobank.com.au/eltham

Community Bank - Doreen-Mernda
Shop 3A Hazel Glen Road, Doreen VIC 3754
Phone: 9717 1433 Fax: 9717 1468
Email: doreenmernda@bendigobank.com.au
Web: bendigobank.com.au/doreen-mernda

Kinglake Branch
Shop 4/1 Victoria Road, Kinglake VIC 3763
Phone: 5786 1656 Fax: 5786 1589
Email: kinglake@bendigobank.com.au
Web: bendigobank.com.au/kinglake

Franchisee: Valley Community Financial Services Limited
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Phone: 9438 3194
Email: administration@valleyfinancial.com.au

Share Registry: Lead Advisory Group – RSD Registry
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32 Garsed Street, Bendigo VIC 3550
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