

Annual Report 2026

Valley Community
Financial Services Limited

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

ABN 86 092 399 730



Chair's report.

Year ending June 2026

I am pleased to present my report as Chair of Valley Community Financial Services Limited (VCFS) for the 2025/26 financial year. It has been a year of exceptional performance by our staff, careful cost management and continued investment in the communities we serve, delivering another strong outcome for our shareholders.

Trading conditions again reflected the tighter lending environment being felt across the sector, but VCFS's steady focus on deposit growth, cost reduction focus and a broad mix of banking products ensured another rewarding year. Our total banking book grew by 2.6% to reach \$1.024 billion, an important milestone as we pass \$1 billion in total banking business for the first time. Our aim remains 1.5 billion within three years. Deposits were the standout, growing 3.8%, while lending grew a more modest 0.84% amid subdued demand and tighter credit conditions across the market. Margins held steady with the previous two years, and careful cost control saw profit finish 22% above budget.

These results allow us again to reward our shareholders with a fully franked dividend of 12 cents per share, continuing returns that for many long-standing investors now exceed 10% relative to their original investment. VCFS's balance sheet remains strong, carrying no debt against \$6.4 million in fully leased property assets, with equity of \$9.661 million across approximately 4,051,890 shares.

The past year also marked significant change in our leadership. After more than 25 years of dedicated service, Barry Henwood retired as Chief Executive Officer. On behalf of the Board, I thank Barry for his outstanding contribution in building VCFS into the organisation it is today, and for his generous support of local community initiatives throughout his tenure. We welcomed Daryl Ellis as our new CEO, who has led the business with focus and confidence through his first year, supported by Barry's guidance during the transition.

We also farewelled two valued directors, Robert Charlesworth and Philip Marendaz. Robert joined the Board in early 2016 and has been instrumental in developing several of our community partnerships, including the Nillumbik Dementia Café. Philip, who joined the Board in early 2009 and served as the company's accountant for many years, retired from the Board on 11 May 2026. On behalf of the Board, I thank both Robert and Philip for their dedicated service and valuable contributions to VCFS and our communities.

Operationally, our Lending Hub completed its first full year under Senior Lending Manager Jason Dirx, embedding a customer-first culture and stronger business-as-usual practices. We made the difficult decision to close our Community Bank Kinglake branch, lowering our cost base while we continue to support Kinglake customers and community groups through grants and sponsorships. Mark Couche now supports both our Community Bank Hurstbridge and Doreen-Mernda branches, while Bernadette Brown and Kath King continue as Branch Operations Managers at Community Bank Eltham and Diamond Creek respectively, giving us a well-placed branch leadership team.

More than \$10 million of VCFS profits have now been reinvested in our communities, with a further \$920,779 available through our Community Enterprise Foundation for future local projects. This enduring commitment to community, alongside strong shareholder returns, remains at the heart of the Community Banking model.

I want to thank my fellow directors, and the management and staff led by Daryl Ellis and Senior Manager Tina Elmer, for their continued commitment and hard work this year. We are also deeply grateful for the ongoing support of the volunteers and community partners, whose contributions continue to build a vibrant and collaborative environment across Nillumbik.

As we look to the year ahead, the Board remains committed to our shared vision – bringing our communities' aspirations to life – and to building on the strong foundations we have established together.

Thank you for your continued support.

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25 Year Booklet

For 25 years, our community bank has been proud to give back to the people and places that make our community special. Thanks to the support of our customers, profits from our branch have funded local clubs, schools, emergency services, community groups and events across the region. Scan the QR code to explore our 25-year booklet and see the difference we've made together.



Our New website

Our new website, valleyfinancial.com.au has been launched, is your online home for everything happening at our community bank. Find information about our lenders, community grants and sponsorships, upcoming events, and the local projects your banking helps support. Scan the QR code to take a look and stay connected with us.



Carol Jenkinson
Chair

Treasurer's report.



Year ending June 2026.

To Our Shareholders and Stakeholders

I am pleased to present the company's financial results for the 2026 financial year, which reflect our continued progress, resilience, and strategic focus.

Financial Performance Overview

From a Board perspective, the company performed well during 2026. I would firstly like to acknowledge the hard work and commitment of our lending and branch teams. During November, these teams secured sufficient deposits and lending growth to take managed assets beyond \$1.002 billion. They continued this growth trajectory throughout the remainder of the financial year, reaching \$1.024 billion at the close of 30 June 2026. This is an outstanding achievement and places our company among the top three Community Banks nationally.

Operational performance in 2026 was slightly softer than in 2025. Shareholders will be aware of the decision to close the Kinglake branch as the lease and franchise agreement approached their respective end dates. In recent years, consistently staffing the branch, together with reduced trading hours, had made its ongoing operation increasingly challenging from both an operational and financial perspective.

While some existing business has been lost as a result of the closure, the associated reduction in operating costs, together with productivity gains from relocating Kinglake staff into other roles, is expected to have a positive impact on operational performance in 2026 and beyond.

Profit before Tax and Community Strengthening for 2026 was \$2,404,453, representing a 2.85% decrease on the previous year. Following the transfer of \$421,053 to the Community Enterprise Foundation (CEF), Earnings Per Share (EPS) was 31.12 cents, compared with 40.79 cents in 2025. Return on Equity (ROE) was similarly impacted by the transfer, resulting in a return of 13.59%, compared with 20.05% in 2025.

Notwithstanding these results, the company remains in a strong financial position. Net assets increased by 8.7% compared with 2025, while liquid assets increased by 57%. This provides the company with a strong foundation from which to pursue future growth opportunities.

Revenue and Expense Performance

Financial assets under management increased by 2.6% during the year. While growth was slower than originally anticipated, strong profit margins contributed to an overall 1.9% increase in revenue compared with 2025.

The principal contributor to the increase in operating expenses during 2026 was employee-related expenditure. The appointment of a full-time CEO, annual remuneration increases, and the decision to recruit additional lending staff to support our ambitious business growth targets for 2026 and 2027 resulted in direct employee costs increasing by 9.8%, while associated indirect costs and on costs increased by 30.8%.

These investments in our people and lending capability are intended to strengthen the company's capacity to pursue future growth and improve our long-term operational performance.

Community Engagement

We remain strongly committed to supporting the communities in which we operate. During 2026, the company contributed \$358,894 through sponsorships and grants to local organisations, community groups and sporting clubs.

In addition, we contributed \$421,053 to the Community Enterprise Foundation to support future community initiatives.

These contributions demonstrate our ongoing commitment to social responsibility and our purpose of making a meaningful and positive difference in the communities we serve.



\$1.024 billion
Income Earning
Loans and Deposits
Up 2.5%



\$7.155 million revenue
\$2.404 million profit
(before tax, community grants
and sponsorships)



Investment in our communities
\$358,894 - Grants and sponsorships
\$421,053 to the CEF for future community
use



12 Cents
Shareholder distribution
(Fully franked per share October 2025)



31.12 Cents
Earnings per share



\$2.38
Net assets per share

Dividend Announcement

The Board of Directors remains confident in the company's financial position, ongoing performance and future prospects. Accordingly, we are pleased to declare a dividend of 12 cents per share, fully franked for the 2026 financial year, which is expected to be paid in October 2026.

Further Information

The summary financial information and performance graphics accompanying this report are based on the company's audited financial statements for the 2026 financial year.

Shareholders and other stakeholders are encouraged to refer to the 2026 Annual Report, including the full audited financial statements, for further detail and a comprehensive understanding of the company's financial performance and financial position.




Phillip Burtt CPA (ASA)
Treasurer

CEO's annual report.

Financial Year ending June 2026.

A year of disciplined performance, organisational change and continued investment in the communities we serve.

A message from the CEO

The 2026 financial year was another busy and rewarding period for Valley Community Financial Services Limited (VCFS). Against a challenging lending environment and continued change across the banking sector, our people remained focused on customer service, responsible growth and the long-term sustainability of our community banking model. We continued to modernise our operating practices and respond quickly to changing customer needs. This work has strengthened productivity, supported more meaningful customer conversations and positioned VCFS to pursue future growth while maintaining disciplined cost management.

Recognising an exceptional contribution

I would like to acknowledge and personally thank Barry Henwood for more than 25 years of dedicated service. Barry's tireless efforts have helped build VCFS into the successful organisation it is today. His contribution extends well beyond the business: he has generously given his time to local initiatives and made a lasting difference across our communities. On a personal note, I also thank Barry for the guidance and support he provided throughout my first year as CEO. His experience, generosity and commitment to community banking have been deeply valued.

Operational progress

Lending Hub

The Lending Hub completed its first full year of operation and delivered a significant uplift in productivity and outcomes. Under Senior Lending Manager Jason Dirx, the team has embedded a customer-first culture and established consistent business-as-usual practices that support quality service and stronger execution. We will continue to invest in the capability of our lenders and will increase lending full-time equivalent resources when market opportunities support doing so. This measured approach will help ensure that growth is sustainable and aligned with customer demand.

Branch network and leadership

During the year, we made the difficult but necessary decision to close the Community Bank Kinglake branch. The lower cost base resulting from this change will support the sustainability of our community investment activities. Although we no longer operate a branch in Kinglake, VCFS remains committed to supporting local customers with their banking needs and to contributing to the community through grants and sponsorships. Mark Couche now supports the Community Bank Hurstbridge and Doreen-Mernda branches. Community Bank Diamond Creek and Eltham each have dedicated Branch Operations Managers, Bernadette Brown at Community Bank Eltham and Kath King at Community Bank Diamond Creek, ensuring this our branch leadership is well placed to support our people, customers and communities.

Financial performance

Margins remained consistent with the previous two years. In this environment, continued growth in the banking book is important to sustaining revenue and maintaining our capacity to invest in the community. The 2025/26 financial year was a difficult lending environment. The total banking book grew by just under 1%, while deposits recorded stronger growth of 3.8%. Gross revenue finished slightly ahead of budget and disciplined cost control contributed to profit finishing 22% above budget.

VCFS also passed the significant milestone of \$1 billion in total banking business, closing the year with footings of approximately \$1.024 billion. This achievement reflects the collective contribution of our customers, shareholders, employees, Board and community partners.

\$1.024bn	3.8%	+22%
BANKING FOOTINGS	DEPOSIT GROWTH	PROFIT VS BUDGET

Balance sheet strength

VCFS remains in a strong financial position. The company carries no debt on its acquired properties, and all investment properties are fully leased and generating returns.

At 30 June 2026, VCFS reported the following:

Measure	Position at 30 June 2026
Property assets	\$6.4 million
Cash at bank	\$1.363 million
Debt	Nil
Community Enterprise Foundation funds available for future projects	\$923,397
Equity across approximately 4,051,890 shares	\$9.644 million
Dividend (October 2025)	12 cents per share

Community impact and shareholder value

To date, more than \$10 million of VCFS profits has been reinvested in the communities we serve. This investment is at the heart of our purpose and helps fund worthwhile local projects, organisations and initiatives. VCFS has also continued to deliver value to shareholders. For many long-term investors, fully franked dividends have represented returns well in excess of 10% relative to the cost of their original investment. This combination of shareholder value and community impact demonstrates the strength of the community banking model.

Looking ahead

The operating environment will continue to evolve. Advances in artificial intelligence, changes in local and global economic conditions, geopolitical uncertainty and the ongoing transformation of banking will create both challenges and opportunities. Our priorities remain clear: grow the business responsibly, strengthen customer relationships, invest in our people, maintain financial discipline and preserve our capacity to support the communities we serve. We will approach the year ahead with focus, diligence and confidence in the foundations we have built.

Thank you

I extend my sincere thanks to everyone who contributed to VCFS's performance in 2025/26. Our employees worked tirelessly to deliver outstanding service and once again demonstrated professionalism, care and commitment. I also thank the Board for its direction and leadership, our shareholders and community partners for their continued support, and our customers, whose trust makes our work possible.



Daryl Ellis
Chief Executive Officer
Valley Community Financial Services Limited

Senior Manager's report.



Year ending June 2026.

For the 2025/26 period, the company demonstrated positive growth, with total footings increasing by 2.60% to reach \$1,024,275.

Group Business Size June 26

'000

VCFS LTD	Balance as at 30/06/2025	2025/26	GROWTH	GROWTH %
DEPOSITS	588,054	610,553	22,499	3.82
LENDING	410,243	413,722	3,479	0.84
TOTAL	998,297	1,024,275	25,978	2.60

Book Size by Branches and Growth YTD June 26

'000

BRANCHES	DEPOSITS 2025/26	GROWTH	LENDING 2025/26	GROWTH	OVERALL GROWTH
HURSTBRIDGE	223,675	34,668	148,892	21,252	55,920
DIAMOND CREEK	165,887	3,982	80,601	-1274	2,708
KINGLAKE	38,422	-36,241	21,508	25	-60,088
ELTHAM	139,088	3,794	105,368	617	4,411
DOREEN/MERENDA	81,903	16,476	78,836	6,551	23,027

- **Deposits:** This was the strongest area of growth, with an increase of \$22,499, representing a 3.82% rise.
- **Lending:** Lending activities saw a more modest increase of \$3,479, or 0.84%.

Slower overall lending growth (0.84% vs 3.82% deposit growth) is typically driven by a mix of broader macroeconomic pressures, local market dynamics, and operational factors. While deposit growth demonstrated robust community trust (+3.82%), lending expansion was constrained (+0.84%) by tighter market-wide credit conditions and localized demand contraction in select branches. Strategic focus is underway to rebuild lending pipeline conversion and expand local business banking relationships. Despite these challenging market trends and widespread cost-of-living pressures, our branch teams have remained deeply committed to our customers.

Our staff continue to focus on deepening customer relationships through proactive, meaningful conversations—educating our community on practical ways to structure their accounts, reduce costs, and save money. At the same time, our teams are actively guiding customers through an ever-changing digital banking landscape, ensuring everyone feels supported as technology evolves—all while upholding the highest standards of policy, procedure, and regulatory compliance. Crucially, protecting our customers from scams and financial fraud remains front of mind in every interaction. Our staff play a vital front-line role in safeguarding our community's hard-earned savings with vigilance and care.

Our customer advocacy is strong, and we are well-positioned to convert local opportunities into sustainable growth in the year ahead.

I want to extend my heartfelt gratitude to all the staff. Your unwavering commitment to our customers and community 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, to our Administration Team Melinda DeBolfo, Carla Lewis, Louise Danson and Murray Jenkins, for their behind-the-scenes efforts, thank you, it's a pleasure working alongside you.

"Success is not final, failure is not fatal: It's the courage to continue that counts"
Winston Churchill.

Thank you for your ongoing support.



Tina Elmer
Senior Manager



Lending Hub.

The Lending Hub supports home lending across our Community Bank branches in Eltham, Diamond Creek, Hurstbridge and Doreen/Mernda and the greater North/Eastern suburbs.

Now a central pillar of our lending operations, the Hub supports the home lending needs of every branch in our network - whether customers prefer to meet in-branch, over the phone, or via Microsoft Teams. And for those who'd rather we come to them, our mobile lenders meet at a time and place that suits, across shires of Nillumbik, Whittlesea, Murrindindi, Banyule, and surrounds.

This financial year has been defined by adaptability, growth, and exceptional results. The synergy between our branch network and the Lending Hub reached new heights, together uncovering opportunities to help customers into their homes and capping off with an incredibly strong May and June.

While the raw opportunity numbers were just shy of the previous year, the team's execution and conversion are where the true value lay. By focusing on quality over quantity and improving lead quality, the Hub delivered strong year-on-year growth where it counts most.

Just as impressive were the transitions the team navigated along the way - supporting James Fernandes through his integration into our Community Bank, celebrating Khalil Eideh's promotion, and welcoming Gokul Manchukonda. The Lending Hub is a dynamic, fast-paced and highly supportive environment that actively champions career development.

We are especially proud of local leader Darren Gray, who finished the year helping the greatest number of customers of any lender in Victoria.

Meet our local and mobile lenders

Behind every customer home loan is a local lender who knows the area and answers the phone. Our team can help you buy your first home, upgrade, invest, or refinance an existing loan - across shires of Nillumbik, Whittlesea, Murrindindi, Banyule, and surrounds.



Jason Dirkx
Business Development Manager

Jason brings 15 years of banking experience, including 13 years with Bendigo Bank, as well as two years in real estate and a Certificate IV in Financial Services. He specialises in home loans, refinancing and investment property finance, helping customers whether they are buying their first home, purchasing their next property, refinancing or exploring an investment opportunity. Jason is passionate about community engagement and works closely with residents, local businesses and community groups throughout Doreen. He offers flexible appointments at your home, workplace or a local café.

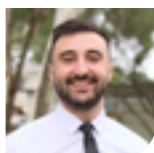
Contact:
0499 554 870
jason.dirkx@bendigoadelaide.com.au



James Fernandes
Business Development Manager

James has more than 31 years of experience in retail banking and lending, including over 27 years as a home lending specialist in Australia and overseas. His specialties include business development, relationship management, and home and commercial lending. A strong believer in the community banking model, James enjoys building lasting relationships with customers and helping them achieve their financial goals. As one of our Mobile Bankers, he has been focusing on our five communities of Hurstbridge, Diamond Creek, Eltham, Doreen and Kinglake, while also strengthening support for clubs in his local Mitcham-Nunawading area.

Contact:
0435 356 450
james.fernandes@bendigoadelaide.com.au



Khalil Eideh
Customer Relationship Manager

Khalil has been with Bendigo Bank for three years, helping customers navigate the property market, whether they are buying their first home, upgrading, investing or refinancing to secure a better rate. He aims to take the stress out of the lending process and build lasting relationships with customers throughout their lending journey. Khalil has been working with sporting clubs across the Eltham-Research area, as well as leading community engagement at the Strathewen Community Hall.

Contact:
0478 435 516
khalil.eideh@bendigoadelaide.com.au





Gokul Manchukonda
Mobile Relationship Manager

With 10 years of experience across business banking, asset finance and home loans, Gokul tailors his service to each customer's goals. He works across metropolitan Melbourne and offers full flexibility, including after-hours appointments and meetings at a location convenient to his clients. Gokul has been supporting customers in the Doreen area while also building connections with clubs in his local community of Craigieburn–Wollert.

Contact:

0418 819 584

gokul.manchukonda@bendigoadelaide.com.au



Darren Gray
Customer Relationship Manager

With more than 35 years of experience and a large client base, Darren is a trusted lending specialist across our communities, known for delivering the right product, price and service. He is passionate about making the lending process as easy and enjoyable as possible, and takes great pride in helping people achieve their dreams while seeing our bank give back to local communities. Darren has been working closely with local football clubs across the Diamond Creek and Hurstbridge areas.

Contact:

0417 167 390

darren.gray@bendigoadelaide.com.au



David Burdett
Customer Relationship Manager

David is a Home Loan Specialist whose banking career spans 43 years, including 21 years with Bendigo Bank. He enjoys helping customers reach their goals and is committed to providing a seamless experience, drawing on his extensive knowledge and always being available to answer questions. David has been working closely with the Hurstbridge Community Shed, as well as sporting groups and clubs across the Doreen area.

Contact:

0439 702 516

david.burdett@bendigoadelaide.com.au



Melinda Tonti
Customer Relationship Officer

Melinda regularly contacts our customers to ensure they are getting the most from their banking relationship. Her calls go beyond a simple check-in: she makes sure customers are receiving the best available rate, discusses their future plans and banking needs, and explores ways we can provide further support. Known for her warm, friendly personality and genuine commitment to customers, Melinda is a familiar and welcome voice for many of our clients.

Contact:

0428 363 065

melinda.tonti@bendigoadelaide.com.au

Why local families choose us for their home loan

- Low fees and competitive interest rates.
- Quick home loan approvals.
- Free Home Loan Health Check that could save you thousands of dollars.
- Easy online access to manage your home loan via the Bendigo Bank app.
- Profit with purpose - as a Community Bank, profits from local lending are reinvested into the clubs, schools and projects that make your community a great place to live.
- Local lenders you can meet in-branch, over the phone or in a virtual meeting
- Mobile lenders who come to you

Directors' report.

The Directors present their report, together with the financial statements, on Valley Community Financial Services Ltd for the financial year ended 30 June 2026.

Board of Directors

The following persons were Directors of Valley Community Financial Services Ltd 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 On the Hill Festival and Panton Hill Football Netball Club. Recognized 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

Qualifications:

Experience & Expertise: Michael enjoyed a distinguished 39-year career in banking, primarily with Bendigo and Adelaide Bank. During his career, he played a significant role in the Community Bank network, serving at Community Bank Strathmore before joining Valley Community Financial Services as Senior Manager and later as a Mobile Relationship Manager. Michael remains actively involved in his local community through his support of Eltham sporting associations and the Heidelberg Golf Club, reflecting his ongoing commitment to community engagement and service.

Phillip Burt

Title: Treasurer - Independent Director

Qualifications: B.Economics, CPA (ASA).

Experience & Expertise: Phillip is an experienced Quality and Risk specialist, with expertise in Management Systems, including ISO Quality, Environmental, Safety, and asset management certification services. He has worked with clients across a broad range of sectors, including Government Services, Logistics, Civil Works, Social Services and Employment Services. Prior to transitioning into consulting, Phillip held student housing leadership roles at several leading Victorian and international universities, including the University of Melbourne, La Trobe University and Arcadia University (The College of Global Studies), where he developed extensive experience in student services, accommodation management and stakeholder engagement.

Heidi Crundwell

Title: Company Secretary - Independent Director

Qualifications: Bachelor of Business (Marketing)

Experience & Expertise: Heidi is currently a Senior Investment and Engagement Officer at Invest Victoria within the State Government, supporting investment and industry growth. Previously, she led major industry transition projects for the State Government. With over 14 years' experience supporting Main Street and regional tourism groups, Heidi brings expertise in marketing strategy, business support and community engagement. She is an active volunteer with 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 successful small business owner for more than 40 years, with over 25 years' experience in retail management, operating newsagencies, post offices and Tattersall's outlets. A passionate advocate for community development, Barry has held leadership roles across a range of community organisations, including local tennis clubs, his church parish and political organisations. His outstanding community service has been recognised with two Rotary Paul Harris Fellow awards, received in 2011 and 2026, despite Barry never having been a member of Rotary. He was also named Nillumbik Shire Council's Citizen of the Year in 2010. As a Foundation Director of Valley Community Financial Services, Barry became Chair in 2007. The position evolved into an executive role in 2013, and Barry later became Chief Executive Officer after stepping down as Chair. Over 18 years and through several executive title changes, he provided consistent leadership and played a significant role in the company's growth and success. During his time as leader, the business expanded from two branches to five, while business volume increased by 700 per cent to reach \$1 billion. Barry stepped aside from the CEO role in October 2025. Beyond Valley Community Financial Services, Barry was the inaugural Chair of the Gippsland Community Foundation, leading the organisation from its establishment following the 2019–20 Black Summer bushfires until his retirement from the role in 2025. Under his leadership, the Foundation distributed more than \$9 million to communities impacted by the fires. In recognition of his contribution, a scholarship bearing Barry's name will be established to support women in agriculture. Barry and his wife, Janice, are retiring to their farm in West Gippsland, where they operate a small beef-breeding enterprise. Both were raised in farming families, and Barry looks forward to continuing his lifelong connection with rural communities.

Greg Paul

Title: Non Independent Director

Qualifications: Bachelor of Business (Accounting), CPA

Experience & Expertise: Greg is a licensed builder and Founder and Director of Transform Homes, a respected local construction company. He is an active member of the Rotary Club of Diamond Creek, having served as President from 2015 to 2016 and is again president for the Rotary year 2026–2027. Based in Yarrambat, Greg has also gained valuable international experience through living and working in various roles overseas, bringing a broad perspective and diverse expertise to his professional and community commitments.

Philip Marendaz - Resigned on 11 May 2026

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 a 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 relationships, overseeing complex projects, coordinating contractors, and leading teams to ensure the successful delivery of services and solutions. Michael brings valuable expertise in project management, stakeholder engagement, and operational delivery, supporting the achievement of client outcomes through effective leadership, communication, and collaboration.

Robert Charlesworth

Title: Independent Director

Qualifications:

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 Meetings		Governance/ Audit Committee Meetings	
	A	B	A	B
Carol Jenkinson	11	11	3	3
Michael Maloney	11	10	3	3
Phillip Burt	11	11	3	3
Heidi Crundwell	11	9	3	3
Barry Henwood	11	9	-	-
Greg Paull	11	10	-	-
Philip Marendaz - Resigned on 11 May 2026	8	7	-	-
Michael McBrien	11	10	3	3
Robert Charlesworth	11	10	-	-

[A] The number of meetings eligible to attend.

[B] The number of meetings attended.

[-] Not a member of that committee.

Company Secretary

Heidi Crundwell held the position of Company Secretary at the end of the financial year.

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 have 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 2026 (\$)	30 June 2025 (\$)	Movement
Profit After Tax	1,260,802	1,652,858	-24%

The decrease in profit for the year was due to a contribution made to the Community Enterprise Foundation, as disclosed in Note 10(e).

Directors' Benefits

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

- **Barry Henwood:** CEO - Valley Community Financial Services Ltd
- **Philip Marendaz:** JPM Advisory - Company Accountant

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2025	Changes During the Year	Balance at 30 June 2026
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 - Resigned on 11 May 2026	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	0.12	\$486,224
Total Amount	0.12	\$486,224

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.

Directors' report. (continued)

Significant Changes in the State of Affairs

During the financial year, the following significant changes in the state of affairs of the Company occurred:

On the 30 September 2025, the Company entered into a new franchise agreement with Bendigo and Adelaide Bank for a term of five years.

At the November 2025 Board meeting, following a review of the branch's revenue performance, the Board resolved to close the Kinglake branch. The branch ceased trading on 5 June 2026. In the opinion of the directors, there were no other significant changes in the state of affairs of the Company during the financial year under review that are 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.

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 decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 30 to the accounts.

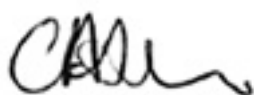
The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- 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.



Carol Jenkinson
Chair/Director
Dated this 30th day of September, 2026

Auditor's independence declaration.



Auditor's 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 auditor for the audit of the financial report for the year ended 30 June 2026, 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.

A handwritten signature in blue ink that reads 'RSD Audit'.

RSD Audit

A handwritten signature in blue ink that appears to read 'Mahesh Silva'.

Mahesh Silva
Associate Director

30 September 2026

Financial statements.

For the year ended 30 June 2026.

Statement of profit or loss and other comprehensive income

	Note	2026 \$	2025 \$
Revenue			
Revenue from contracts with customers	7	6,910,265	6,745,347
Other revenue	8	237,059	276,187
Finance income	9	8,551	641
		7,155,875	7,022,175
Expenses			
Employee benefits expense	10	(3,657,191)	(3,200,544)
Depreciation and amortisation	10	(284,576)	(285,288)
Finance costs	10	(24,448)	(14,913)
Administration and general costs		(401,997)	(499,920)
Occupancy expenses		(170,870)	(212,473)
IT expenses		(138,868)	(142,750)
Auditor Remuneration		(2,350)	(8,100)
Marketing & Promotion		(55,054)	(70,661)
Other expenses		(16,068)	(112,291)
		(4,751,422)	(4,546,940)

Operating profit before charitable donations and sponsorship		2,404,453	2,475,235
Charitable donations and sponsorship	10	(779,947)	(266,507)
Profit before income tax		1,624,506	2,208,728
Income tax expense	11	(363,704)	(555,870)
Profit for the year after income tax		1,260,802	1,652,858
Other comprehensive income		-	-
Total comprehensive income for the year		1,260,802	1,652,858
Profit attributable to the ordinary shareholders of the company		1,260,802	1,652,858
Total comprehensive income attributable to ordinary shareholders of the company		1,260,802	1,652,858

Earnings per share		¢	¢
- basic and diluted earnings per share	32	31.12	40.79

Statement of Financial Position

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	12	1,363,797	742,635
Trade and other receivables	13	633,169	517,312
Financial assets	14	15,048	20,816
Current tax asset	20	146,322	-
Other assets	15	36,056	21,891
Total current assets		2,194,392	1,302,654
Non-current assets			
Property, plant and equipment	16	1,999,416	2,025,004
Right-of-use assets	17	332,992	503,975
Investment Properties	18	6,393,798	6,410,103
Intangible assets	19	248,005	16,170
Deferred tax assets	20	92,459	95,908
Total non-current assets		9,066,670	9,051,160
Total assets		11,261,062	10,353,814

Liabilities			
Current liabilities			
Trade and other payables	21	558,908	390,382
Current tax liability	20	-	115,074
Borrowings	22	-	2,048
Lease liabilities	23	114,816	84,259
Employee benefits	24	407,581	382,374
Total current liabilities		1,081,305	974,137
Non-current liabilities			
Trade and other payables	21	175,088	-
Lease liabilities	23	237,213	437,026
Employee benefits	24	106,056	55,829
Total non-current liabilities		518,357	492,855
Total liabilities		1,599,662	1,466,992

Net assets		9,661,400	8,886,822
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Equity			
Issued capital	25	2,055,876	2,055,876
Retained earnings	26	7,605,524	6,830,946
Total equity		9,661,400	8,886,822



Statement of Changes in Equity

	Note	Issued Capital \$	Retained Earnings \$	Reserves \$	Total Equity \$
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
Other comprehensive income for the year		-	-	-	-
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	31	-	(364,670)	-	(364,670)
Balance at 30 June 2025		2,055,876	6,830,946	-	8,886,822
Balance at 1 July 2025		2,055,876	6,830,946	-	8,886,822
Comprehensive income for the year					
Profit for the year		-	1,260,802	-	1,260,802
Other comprehensive income for the year		-	-	-	-
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	31	-	(486,224)	-	(486,224)
Balance at 30 June 2026		2,055,876	7,605,524	-	9,661,400

Statement of Cash Flows

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		7,005,352	7,078,249
Payments to suppliers and employees		(5,054,405)	(4,319,700)
Dividends received		-	-
Interest paid		(61)	(50,305)
Interest received		303	641
Lease Payments not included in the measurement of lease liabilities		(61,423)	-
Income tax paid		(484,237)	(595,257)
Net cash flows provided by operating activities	27b	1,405,529	2,113,628
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		32,691	-
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(70,484)	(35,205)
Purchase of investments		-	(344,407)
Purchase of intangible assets		(68,312)	(76,605)
Net cash flows used in investing activities		(106,105)	(456,217)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(2,048)	(950,514)
Repayment of lease liabilities		(190,883)	(130,580)
Dividends paid		(485,331)	(364,670)
Net cash flows used in financing activities		(678,262)	(1,445,764)
Net increase in cash held		621,162	211,647
Cash and cash equivalents at beginning of financial year		742,635	530,988
Cash and cash equivalents at end of financial year	27a	1,363,797	742,635

Notes to the financial statements.

NOTE 1. CORPORATE INFORMATION

These financial statements and notes represent those of Valley Community Financial Services Ltd (the Company) as an individual entity. Valley Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 30th September 2026.

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 29.

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 new franchise agreement in September 2025 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 (closed 5 June 2026)

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.

(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:

$$\begin{array}{l} \text{Interest paid by customers on loans,} \\ \text{less interest paid to customers on deposits} \\ \\ \text{plus} \\ \\ \text{Deposit returns (i.e. interest return applied by} \\ \text{Bendigo and Adelaide Bank on deposits)} \\ \\ \text{minus} \\ \\ \text{Any costs of funds (i.e. interest applied by} \\ \text{Bendigo and Adelaide Bank to fund a loan)} \end{array}$$

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 call deposits.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

(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 estimated future cash outflows.

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

(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 and 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
Buildings	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.

Notes to the financial statements.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 14 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 2026.

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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2025 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 2026 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 through 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 2026		Contractual Cash Flows	
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years
Lease liabilities	352,029	135,850	266,491

(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 \$1,363,797 at 30 June 2026 (2025: \$742,635). 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:

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2026 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.

	2026 \$	2025 \$
Revenue		
- Revenue from contracts with customers	6,910,265	6,745,347
Disaggregation of Revenue From Contracts With Customers		
- Margin income	6,338,384	6,201,912
- Fee income	245,815	273,927
- Commission income	326,066	269,508
	6,910,265	6,745,347

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.

	2026 \$	2025 \$
Other Revenue		
- Rental income	197,285	270,989
- Other income	39,774	5,198
	237,059	276,187

NOTE 9. FINANCE INCOME

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

	2026 \$	2025 \$
Finance Income		
At amortised cost:	-	-
- Distribution from investment	283	313
- Interest from term deposits	8,268	328
	8,551	641

NOTE 10. EXPENSES

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

(a) Employee Benefits Expense

	2026 \$	2025 \$
Employee Benefits Expense		
- Wages & salaries	2,766,264	2,519,496
- Superannuation costs	360,605	291,873
- Other expenses related to employees	380,718	211,078
- Seconded employees	149,604	178,097
	3,657,191	3,200,544

(b) Depreciation & Amortisation Expense

	2026 \$	2025 \$
Depreciation of Non-current Assets		
- leasehold improvements	13,028	13,091
- plant and equipment	48,387	52,921
- motor vehicles	4,104	10,199
- investment property building new capital works	16,305	24,541
	81,824	100,752

Depreciation of Right-of-use Assets		
- leased buildings	128,691	119,681
	128,691	119,681

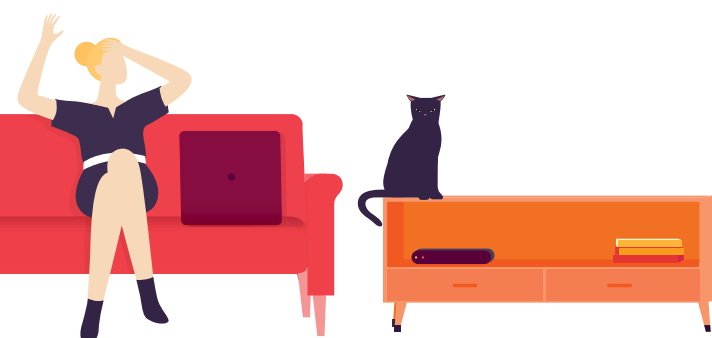
Amortisation of Intangible Assets		
- franchise fees	70,936	64,855
- borrowing costs	3,125	-
	74,061	64,855
Total depreciation & amortisation expense	284,576	285,288

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).

(c) Finance Costs

	Note	2026 \$	2025 \$
Finance Costs			
- Interest paid		24,448	14,913
		24,448	14,913

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



NOTE 10. EXPENSES (CONTINUED)

(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	2026 \$	2025 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		358,894	161,244
- Contribution to the Community Enterprise Foundation™	10(e)	421,053	105,263
		779,947	266,507

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 Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2026 \$	2025 \$
Disaggregation of CEF Funds			
Opening balance		667,488	651,278
Contributions paid	10(d)	421,053	105,263
Grants paid out		(171,486)	(111,180)
Interest received		24,777	27,390
Management fees incurred		(21,053)	(5,263)
Balance available for distribution		920,779	667,488

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

	2026 \$	2025 \$
Current tax expense	360,255	595,257
Deferred tax expense	3,449	(39,387)
	363,704	555,870

(b) Prima Facie Tax Payable

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

	2026 \$	2025 \$
Prima facie tax on profit before income tax at 25% (2025: 25%)	406,127	552,182

Add Tax Effect Of:

- Non-deductible franchise fee amortisation	-	10,809
- Temporary differences	(2,797)	-
- Movement in deferred tax	3,449	39,386
- Under provision in respect to prior years	(43,075)	-
Income tax attributable to the entity	363,704	602,377

The applicable weighted average effective tax rate is:	22.39%	25.17%
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NOTE 12. CASH & CASH EQUIVALENTS

	2026 \$	2025 \$
Cash at bank and on hand	863,797	428,665
Short-term bank deposits	500,000	313,970
	1,363,797	742,635

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

	2026 \$	2025 \$
Current		
Trade receivables	625,205	517,312
Other receivables	7,964	-
	633,169	517,312

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

	2026 \$	2025 \$
At Amortised Cost		
Term deposits	-	13,883
At FVTPL / FVTOCI		
Other investments	15,048	6,933
	15,048	20,816

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

	2026 \$	2025 \$
Prepayments	29,783	12,359
Prepaid Borrowing Expenses	6,273	9,532
	36,056	21,891

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.

Notes to the financial statements.

NOTE 16. PROPERTY, PLANT & EQUIPMENT

(a) Carrying Amounts

	2026 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	1,385,759	-	1,385,759
Leasehold improvements	537,873	176,069	361,804
Plant & equipment	692,289	474,435	217,854
Furniture & fittings	-	-	-
Motor vehicles	35,230	1,231	33,999
Total	2,651,151	651,735	1,999,416

	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
Furniture & fittings	-	-	-
Motor vehicles	102,127	71,532	30,595
Total	2,755,997	730,993	2,025,004

(b) Movements in Carrying Amounts

2026	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	1,385,759	374,832	233,818	30,595	2,025,004
Additions	-	-	35,064	35,230	70,294
Disposals	-	-	(2,641)	(27,722)	(30,363)
Depreciation expense	-	(13,028)	(48,387)	(4,104)	(65,519)
Closing carrying value	1,385,759	361,804	217,854	33,999	1,999,416

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
Disposals	-	-	-	-	-
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

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2026 (2025: 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, plant and equipment.

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

	2026 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leased Buildings	547,984	214,992	332,992
Total	547,984	214,992	332,992

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

Movements in carrying amounts:

2026 \$	Leased Buildings \$	Total ROU Asset \$
Opening balance	503,975	503,975
Remeasurement	(42,292)	(42,292)
Depreciation expense	(128,691)	(128,691)
Net carrying amount	332,992	332,992

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

	2026 \$	2025 \$
Depreciation expense related to right-of-use assets	128,691	119,681
Interest expense on lease liabilities	24,387	16,215



NOTE 18. INVESTMENT PROPERTIES

	2026 \$	2025 \$
Investment Property - Carrying Value	6,393,798	6,410,103
	6,393,798	6,410,103

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 \$264,199.

Direct operating expenses (including repairs and maintenance, interest) arising from the rental - generating investment properties amounted to \$66,914.

Net Rental Income for the year \$197,285. Rental income is recognised on the value of invoices raised during the financial year. 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

	2026 \$	2025 \$
Opening balance	6,410,103	6,426,408
Additions	-	8,236
Depreciation	(16,305)	(24,541)
Closing balance	6,393,798	6,410,103

(b) Capital expenditure commitments

The entity does not have any capital expenditure commitments as at 30 June 2026 (2025: 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 2026.

NOTE 19. INTANGIBLE ASSETS

(a) Carrying Amounts

	2026 \$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	302,771	54,766	248,005
	302,771	54,766	248,005

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

(b) Movements in Carrying Amounts

2026	Franchise Fees \$	Total
Opening carrying value	16,170	16,170
Additions	364,772	364,772
Disposals	(62,002)	(62,002)
Amortisation expense	(70,935)	(70,935)
Closing carrying value	248,005	248,005

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



Notes to the financial statements.

NOTE 20. TAX ASSETS & LIABILITIES

(a) Current Tax

	2026 \$	2025 \$
Income tax payable/(refundable)	(146,322)	115,074

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2026:

	30 June 2025 \$	Recognised in P & L \$	30 June 2026 \$
Deferred Tax Assets			
- Expense accruals	37,441	(34,333)	3,108
- Right -of-use assets	4,327	432	4,759
- Employee provisions	109,551	18,858	128,409
Total deferred tax assets	151,319	(15,043)	136,276

Deferred Tax Liabilities			
- Prepayments	(5,473)	(5,532)	(11,005)
- Property, plant & equipment	(49,938)	17,126	(32,812)
Total deferred tax liabilities	(55,411)	11,594	(43,817)

Net deferred tax assets	95,908	(3,449)	92,459
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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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NOTE 21. TRADE & OTHER PAYABLES

	2026 \$	2025 \$
Current		
Trade creditors	25,411	25,156
Other creditors and accruals	533,497	365,226
	558,908	390,382

Non-Current		
Other creditors and accruals	175,088	-
	175,088	-

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.

Non-current other creditors and accruals represent long-term obligations arising from the deferred payable component of franchise fees, which are due and payable between 3 and 5 years from the reporting date.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 22. BORROWINGS

	2026 \$	2025 \$
Current		
Secured Liabilities		
Bank loan	-	2,048
	-	2,048
Total borrowings	-	2,048

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured 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 are 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 loan was repaid and discharged during the year.



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. Exercised option extended the lease for a further five years starting from September 2025.
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 was terminated in June 2026.
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 for an additional 3 years. 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:

	2026 \$	2025 \$
Current	114,816	84,259
Non-current	237,213	437,026

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2026 were as follows:

30 June 2026	Minimum lease payments due			
	< 1 Year	1 - 2 Years	3 - 5 Years	Total
Lease payments	135,850	79,358	187,133	402,341
Finance charges	(21,032)	(14,619)	(14,661)	(50,312)
Net present values	114,818	64,739	172,472	352,029

30 June 2025	Minimum lease payments due			
	< 1 Year	1 - 2 Years	3 - 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

(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:

	2026 \$	2025 \$
Leases of low value assets	-	-
Variable lease payments	37,393	45,781
	37,393	45,781

Total cash outflows for leases for the year ended 30 June 2026 was \$37,393 (2025: \$45,781).

NOTE 24. EMPLOYEE BENEFITS

	2026 \$	2025 \$
Current		
Provision for annual leave	209,368	183,533
Provision for long service leave	198,213	198,841
	407,581	382,374

Non-Current		
Provision for long service leave	106,056	55,829
	106,056	55,829

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

	2026		2025	
	Number	\$	Number	\$
Ordinary shares - fully paid	4,051,890	2,055,876	4,051,890	2,055,876
	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

	2026 \$	2025 \$
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.



Notes to the financial statements.

NOTE 26. RETAINED EARNINGS

	Note	2026 \$	2025 \$
Balance at the beginning of the reporting period		6,830,946	5,542,758
Profit for the year after income tax		1,260,802	1,652,858
Dividends paid	31	(486,224)	(364,670)
Balance at the end of the reporting period		7,605,523	6,830,946

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	2026 \$	2025 \$
Cash and cash equivalents	12	1,363,797	742,635
As per the Statement of Cash Flows		1,363,797	742,635

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

	2026 \$	2025 \$
Profit for the year after income tax	1,260,802	1,652,858
Non-cash flows in profit		
- Depreciation	197,487	220,433
- Amortisation	87,089	64,855
- Bad debts	833	2,640
- Net (profit) / loss on disposal of property, plant & equipment	(34,364)	-

Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(115,857)	57,438
- (Increase) / decrease in prepayments and other assets	(18,590)	46,420
- (Increase) / decrease in deferred tax asset	(3,449)	(39,386)
- Increase / (decrease) in trade and other payables	30,153	48,164
- Increase / (decrease) in current tax liability	(74,008)	16,125
- Increase / (decrease) in provisions	75,433	44,081
Net cash flows from operating activities	1,405,529	2,113,628

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	2026 \$	2025 \$
Financial Assets			
Trade and other receivables	13	633,169	517,312
Cash and cash equivalents	12	1,363,797	742,635
Term deposits	14	-	13,883
		1,996,966	1,273,830
Financial Liabilities			
Trade and other payables	21	733,996	390,382
Borrowings	22	-	2,048
Lease liabilities	23	352,029	521,285
		1,086,025	913,715

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:

	2026 \$	2025 \$
Short-term employee benefits	192,281	193,496
Post-employment benefits	23,074	22,265
Other long-term benefits	7,755	2,083
Total key management personnel compensation	223,110	217,844

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.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(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	64,762
Transform Homes Pty Ltd - Related Party of Director Greg Paull	Maintenance	257

All amounts owing for these transactions were paid in full prior to the end of the reporting period. Consequently, there are no outstanding balances payable to related parties as at year-end.

(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 with key management or related parties other than those described above.

NOTE 30. AUDITOR'S REMUNERATION

The appointed auditor of Valley Community Financial Services Ltd for the year ended 30 June 2026 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2026 \$	2025 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	2,350	8,100
	2,350	8,100
Total auditor's remuneration	2,350	8,100

The 2026 auditor's remuneration includes amounts invoiced prior to 30 June 2026. No accrual has been made for remaining audit fees at year-end.

NOTE 31. 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.

	2026 \$		2025 \$	
	Number	\$	Number	\$
Fully franked dividend	4,051,890	486,224	4,051,890	364,670
Dividends provided for and paid during the year	4,051,890	486,224	4,051,890	364,670

The tax rate at which dividends have been franked is 25% (2025: 25%).

NOTE 32. 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.

	2026 \$	2025 \$
Profit attributable to ordinary shareholders	1,260,802	1,652,858
	Number	Number
Weighted average number of ordinary shares	4,051,890	4,051,890
	¢	¢
Basic and diluted earnings per share	31.12	40.79

NOTE 33. 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 34. 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 has no other commitments requiring disclosure.

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

NOTE 35. 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** (closed 5/6/2026)
Shop 4, Victoria Road, Kinglake, VIC. 3763

Director's declaration.

For the year ended 30 June 2026

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

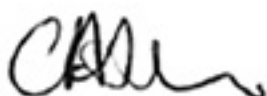
In the opinion of the directors:

- 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 2026 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.

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

Carol Jenkinson
Chair/Director

Dated this 30th day of September, 2026



Independent audit report.



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 Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, 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 we do not express any form of assurance conclusion thereon.

RSD Audit Pty Ltd | ABN: 85 619 186 908
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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Independence

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

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized signature of 'RSD Audit' in blue ink.

RSD Audit

A stylized signature of 'Mahesh Silva' in blue ink.

Mahesh Silva
Associate Director

30 September 2026

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

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

Community Bank - Doreen-Mernda
Shop 3A/101 Hazel Glen Drive, Doreen VIC 3754
Phone: 9717 1433
Email: doreenmernda@bendigobank.com.au
Web: bendigobank.com.au/doreen-mernda

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Email: administration@valleyfinancial.com.au

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