Annual Report 2025

Warrandyte Community Financial Services Limited

Community Bank Warrandyte

ABN 70 102 635 147

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Chairman's report

For year ending 30 June 2025

As we reflect on the past year, we are proud to present our Annual Report, an overview of the achievements and challenges that have shaped the year. The 2025 financial year was profitable, with a positive increase in our lending book.

Total community contributions for the 2024/25 year were approximately $390,000 with an additional $186,200 paid to the Community Enterprise Foundation for future community projects. This brings the total amount invested in community to almost $5.5 million. This is an extraordinary achievement, and we are thrilled to continue to support local emergency services, education, infrastructure upgrades, social and mental wellbeing initiatives and a broad range of environmental and cultural groups and activities.

In addition to this, we have returned over $1.34 million to our shareholders in dividends. The Board has declared a dividend of 10 cents per share, fully franked, for the financial year ended 30 June 2025 which will be payable to shareholders registered on the share register at 30 June 2025 (Record Date).

We navigated a period of workforce transition, marked by elevated staff turnover reflecting broader trends within the banking sector, including increased competition for talent and the ongoing impact of digital transformation on traditional roles. While these changes presented operational challenges, they also created opportunities to reassess our talent strategy and strengthen our organisational resilience. As we move forward, we will continue to ensure our workforce remains a core driver of sustainable growth and customer excellence. I would like to thank our branch staff team for their commitment and hard work over the year.

We have onboarded two new Directors this year, Anna Cross and Ronnie Cheung, both of whom have already made positive contributions.

As Chair and alongside my other Board members John Provan, Leanne Whitmore, Emma MacDougal, Paul McCarthy, Timothy Evans, Dennis Clark, Anna Cross and Ronnie Cheung, we are proud to announce our formal recognition as a social enterprise, an achievement that reflects our deep commitment to responsible banking and community impact.

This recognition affirms that our business model goes beyond profit: we reinvest in communities, and support initiatives that contribute to positive social and environmental outcomes. Being acknowledged as a social enterprise reinforces our belief that banking can and should be a force for good. Whether you're a customer, shareholder or community partner, your support drives meaningful change. Together, we are creating long-lasting impact.

It is anticipated that 2025/26 will again be a good year for us financially, which will provide us with exciting opportunities to keep strengthening our community into the future.

Finally, on behalf of the entire team, I want to extend our heartfelt gratitude to our shareholders for your continued support and confidence in our vision. Your trust empowers us to grow and deliver long-term value to you and the community.

Thank you for standing with us, your belief in what we do makes all the difference.

Aaron Farr
Chair
Warrandyte Community Financial Services Limited

Manager's report

For year ending 30 June 2025

I am proud to deliver the branch report for Warrandyte Community Financial Services Limited.

Although margins are being squeezed due to the competitive banking environment, we have finished the year with $129 million deposits and $103 million lending, both of which are exceptional results. We are pleased with the company profits but remain focused on the future growth of the business.

We aim to expand market reach by increasing customer acquisition through targeted marketing and referral programs and by fostering deeper customer relationships by encouraging greater use of products across the customer base.

The last 12 months has presented opportunities for exciting growth within the team. We bid a fond farewell to Stewart Gibb, who retired this year. We thank Stewart for his commitment and contributions and wish him all the best for a relaxing and happy retirement. Jo Kalincheva decided to move on from her role with us to a position with Bendigo Bank head office, Jessica King returned to the branch team in the role of Customer Relationship Manager, Spiro Skaltsas joined as Customer Service Officer, and Nectro Vlangos joined as Customer Relationship Officer and is currently the Acting Branch Manager. Cameron Mackay continues as our lending guru in the role of Senior Mobile Relationship Manager. This team is well placed to build the business and make an even greater impact. I wish to thank the staff for their passion and belief in community banking.

The successes of the branch would not be possible without the support of our customers and shareholders. If you haven't yet chosen to bank with Community Bank Warrandyte, I invite you to consider the following ways to support us:

- Allow us to assist you with your banking needs by transferring your banking to Community Bank Warrandyte
- Mention our branch to the community groups and organisations you're involved with
- Advocate for Community Bank Warrandyte and encourage your family and friends to bank with us.

We take pride in our unique approach. When you choose to bank with Community Bank Warrandyte, your local community benefits. We aim to reinvest up to 80% of our profits into community initiatives. Since our inception, we have given almost $5.5 million to our community in sponsorships, grants and life-saving defibrillators.

Thank you to the Board of Directors and support team for their unwavering leadership and commitment and thanks also to our shareholders for believing in the community banking model and continued support.

Finally, a huge thank you to our community groups, local clubs, and especially our customers for choosing us as their Community Bank. Without our customers, none of this would be possible.

Your continued support and advocacy are the driving forces behind our business, and I look forward to another successful year ahead.

Daryl Ellis
Regional Manager – Melbourne North East

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

30 June 2025

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2025.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Aaron Michael William Farr
Title:	Non-executive director
Experience and expertise:	B.Com., Grad Dip LP, LL.B. Principal Lawyer, Rush & Hampshire Barristers & Solicitors, Warrandyte. Captain, Wonga Park Fire Brigade.
Special responsibilities:	Chair, Member of Finance & Governance Committee.
Name:	Emma Lorne MacDougal
Title:	Non-executive director
Experience and expertise:	B.A., LL.B., LL.M. Lawyer.
Special responsibilities:	Vice Chair, Chair of Finance & Governance Committee.
Name:	Leanne Whitmore
Title:	Non-executive director
Experience and expertise:	Chartered Accountant (CA) with experience in public practice accounting and private accounting. B.Com., B.Bus (Sys), Grad Dip ICAA.
Special responsibilities:	Treasurer, Member of Finance & Governance Committee
Name:	Paul Anthony McCarthy
Title:	Non-executive director
Experience and expertise:	Founder of the Business Support Network Pty Ltd. Degree in Community Development, Certified Speaking Professional with 20 years experience in marketing, branding and communications.
Special responsibilities:	Member of the Communications & Public Relations Committee.
Name:	John Gary Provan
Title:	Non-executive director
Experience and expertise:	Founding Director of Warrandyte Community Financial Services Limited. Former registered domestic/commercial builder. Previous banking experience.
Name:	Timothy John Evans
Title:	Non-executive director
Experience and expertise:	Senior Corporate & Franchise Executive. Director at Fone Zone (Telstra subsidiary). GAICD.
Special responsibilities:	Chair of Communications & Public Relations Committee.
Name:	Dennis John Clark
Title:	Non-executive director
Experience and expertise:	Extensive workplace experience including auditor, accountant, finance director, chief financial officer, chief risk officer. Dennis operates a consulting business in risk management, compliance, strategy, OHS and governance, and holds the following professional qualifications, FGIA, FCG, FAICD & FCA. He has a BEc and DipEd.
Special responsibilities:	Member of Finance & Governance Committee.
Name:	Anna Lee Cross
Title:	Non-executive director *(appointed 3 March 2025)*
Experience and expertise:	Over 15 years in senior leadership roles in education, domestically and internationally. Deputy Principal (Teaching & Learning) at Haileybury. Anna is a lifelong learner with an extensive academic foundation, holding an MBA from Melbourne Business School, GAICD, and a Master of Education Management from The University of Melbourne. Alongside two other degrees, Anna has pursued advanced studies at NYU Stern and the Harvard Graduate School of Education, continually striving to push the boundaries of her own knowledge.
Special responsibilities:	Member of Finance & Governance Committee.

Name:	Wai Chung Cheung
Title:	Non-executive director *(appointed 3 March 2025)*
Experience and expertise:	Extensive experience in investment, financial management, sustainability assessment, risk management, regulatory compliance, and corporate governance. Advised governments and NGOs on responsible investing, social impact, ESG, sustainability, internal control, risk management, governance and regulatory reporting. Ronnie holds the following professional qualifications, GAICD, CPA Australia, Chartered Financial Analyst, FCCA and has a BBA (Hons).
Special responsibilities:	Member of Finance & Governance Committee.

Company secretary
The company secretary is Jacqueline (Jacqui) Anne Thompson. Jacqui was appointed on 6 December 2021.

Jacqui has extensive experience in HR management and corporate risk & governance and has a BBehSc and Cert. Governance Practice.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $81,439 (30 June 2024: $76,628).

Operations have continued to perform in line with expectations.

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

	2025 $	2024 $
Fully franked dividend of 10 cents per share (2024: 10 cents)	67,946	67,946

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments
No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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

	Board		Communications & Public Relations Committee		Finance & Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Aaron Michael William Farr	13	13	-	-	3	3
Emma Lorne MacDougal	13	13	-	-	3	3
Leanne Whitmore	13	13	-	-	3	3
Paul Anthony McCarthy	13	9	6	5	-	-
John Gary Provan	13	10	-	-	-	-
Timothy John Evans	13	13	6	6	-	-
Dennis John Clark	13	11	-	-	3	3
Anna Lee Cross	5	5	-	-	1	1
Wai Chung Cheung	5	5	-	-	1	1

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Aaron Michael William Farr	1	1	2
Emma Lorne MacDougal	1	-	1
Leanne Whitmore	1	-	1
Paul Anthony McCarthy	1	-	1
John Gary Provan	10,000	-	10,000
Timothy John Evans	1	-	1
Dennis John Clark	-	1	1

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 23 to the accounts.

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

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

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

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

On behalf of the directors

Aaron Michael William Farr
Non-executive director

1 September 2025

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Warrandyte Community Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 1 September 2025

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Warrandyte Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue from contracts with customers	6	1,626,477	1,702,318
Finance revenue		59,661	53,090
Total revenue		1,686,138	1,755,408
Employee benefits expense	7	(662,339)	(615,454)
Advertising and marketing costs		(20,122)	(18,424)
Occupancy and associated costs		(23,096)	(22,915)
System costs		(29,045)	(27,738)
Depreciation and amortisation expense	7	(85,966)	(89,579)
Loss on disposal of assets		(106)	-
Finance costs	7	(58,135)	(60,290)
General administration expenses		(124,207)	(153,928)
Total expenses before community contributions and income tax expense		(1,003,016)	(988,328)
Profit before community contributions and income tax expense		683,122	767,080
Direct donations, sponsorship and grants expense	7	(573,779)	(666,602)
Profit before income tax expense		109,343	100,478
Income tax expense	8	(27,904)	(23,850)
Profit after income tax expense for the year		81,439	76,628
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		81,439	76,628
		Cents	**Cents**
Basic earnings per share	25	11.99	11.28
Diluted earnings per share	25	11.99	11.28

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

Warrandyte Community Financial Services Limited
Statement of financial position
As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	9	210,226	334,980
Trade and other receivables	10	149,006	184,114
Investments	11	1,187,175	950,384
Total current assets		1,546,407	1,469,478
Non-current assets			
Property, plant and equipment	12	84,363	97,922
Right-of-use assets	13	728,274	784,615
Intangible assets	14	41,670	55,560
Deferred tax assets	8	24,582	14,366
Total non-current assets		878,889	952,463
Total assets		2,425,296	2,421,941
Liabilities			
Current liabilities			
Trade and other payables	15	91,670	65,620
Lease liabilities	16	88,676	86,093
Current tax liabilities	8	33,074	21,705
Employee benefits		42,925	42,653
Total current liabilities		256,345	216,071
Non-current liabilities			
Trade and other payables	15	30,559	45,838
Lease liabilities	16	729,782	763,132
Employee benefits		18,707	20,490
Total non-current liabilities		779,048	829,460
Total liabilities		1,035,393	1,045,531
Net assets		1,389,903	1,376,410
Equity			
Issued capital	17	657,286	657,286
Retained earnings		732,617	719,124
Total equity		1,389,903	1,376,410

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

Warrandyte Community Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		657,286	710,442	1,367,728
Profit after income tax expense		-	76,628	76,628
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	76,628	76,628
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(67,946)	(67,946)
Balance at 30 June 2024		657,286	719,124	1,376,410
Balance at 1 July 2024		657,286	719,124	1,376,410
Profit after income tax expense		-	81,439	81,439
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	81,439	81,439
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(67,946)	(67,946)
Balance at 30 June 2025		657,286	732,617	1,389,903

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

Warrandyte Community Financial Services Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,819,586	1,942,960
Payments to suppliers and employees (inclusive of GST)		(1,583,940)	(1,708,571)
Interest received		76,864	48,615
Income taxes paid		(26,751)	(6,957)
Net cash provided by operating activities	24	285,759	276,047
Cash flows from investing activities			
Redemption of/(investment) in term deposits		(236,791)	177,410
Payments for property, plant and equipment	12	(2,282)	-
Payments for intangible assets		(14,592)	(14,592)
Net cash provided by/(used in) investing activities		(253,665)	162,818
Cash flows from financing activities			
Interest and other finance costs paid		(58,135)	(60,290)
Dividends paid	19	(67,946)	(67,946)
Repayment of lease liabilities		(30,767)	(26,022)
Net cash used in financing activities		(156,848)	(154,258)
Net increase/(decrease) in cash and cash equivalents		(124,754)	284,607
Cash and cash equivalents at the beginning of the financial year		334,980	50,373
Cash and cash equivalents at the end of the financial year	9	210,226	334,980

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Warrandyte Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 144-146 Yarra Street, Warrandyte VIC 3113.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

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

Note 3. Material accounting policy information (continued)

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

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

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

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

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

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

Estimates and assumptions

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

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

Note 5. Economic dependency

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

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 $	2024 $
Margin income	1,505,239	1,578,167
Fee income	50,911	58,658
Commission income	70,327	65,493
	1,626,477	1,702,318

Accounting policy for revenue from contracts with customers
The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Note 6. Revenue from contracts with customers (continued)

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation
The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income
Margin income on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission income
Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to Note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

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

Core banking products
Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return
Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank’s margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Note 7. Expenses

Employee benefits expense

	2025 $	2024 $
Wages and salaries	568,251	518,287
Non-cash benefits	4,880	5,410
Superannuation contributions	64,575	56,850
Expenses related to long service leave	2,858	8,964
Other expenses	21,775	25,943
	662,339	615,454

Depreciation and amortisation expense

	2025 $	2024 $
Depreciation of non-current assets		
Leasehold improvements	6,788	10,240
Plant and equipment	3,502	3,508
Motor vehicles	5,445	5,445
	15,735	19,193
Depreciation of right-of-use assets		
Leased land and buildings	56,341	56,496
Amortisation of intangible assets		
Franchise fee	2,315	2,315
Franchise renewal fee	11,575	11,575
	13,890	13,890
	85,966	89,579

Finance costs

	2025 $	2024 $
Lease interest expense	58,135	60,290

Charitable donations, sponsorships and grants expense

	2025 $	2024 $
Direct donation, sponsorship and grant payments	201,379	132,950
Contribution to the Community Enterprise Foundation™	372,400	533,652
	573,779	666,602

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

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

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

Note 7. Expenses (continued)

Community Enterprise Foundation™ contributions

	2025 $	2024 $
Disaggregation of CEF funds		
Opening balance	883,703	531,431
Contributions paid in	372,400	533,652
Grants paid out	(223,571)	(250,679)
Interest received	33,209	21,800
Contributions recognised as a creditor	-	47,499
Balance available for distribution	1,065,741	883,703

During the financial year the company contributed funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations, sponsorships and grants expenditure included in profit or loss.

Note 8. Income tax

	2025 $	2024 $
Income tax expense		
Current tax	38,120	37,818
Movement in deferred tax	(10,216)	(11,975)
Under/over adjustment	-	(1,993)
Aggregate income tax expense	27,904	23,850
Prima facie income tax reconciliation		
Profit before income tax expense	109,343	100,478
Tax at the statutory tax rate of 25%	27,336	25,120
Tax effect of:		
Non-deductible expenses	568	723
	27,904	25,843
Under/over adjustment	-	(1,993)
Income tax expense	27,904	23,850

	2025 $	2024 $
Deferred tax assets		
Property, plant and equipment	(8,819)	(11,744)
Employee benefits	15,371	15,786
Lease liabilities	204,615	212,306
Accrued expenses	1,175	1,050
Income accruals	(3,344)	(4,301)
Right-of-use assets	(182,068)	(196,154)
Prepayments	(2,348)	(2,577)
Deferred tax asset	24,582	14,366

Note 8. Income tax (continued)

	2025 $	2024 $
Provision for income tax	33,074	21,705

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax
Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Note 9. Cash and cash equivalents

	2025 $	2024 $
Cash at bank and on hand	210,226	334,980

Note 10. Trade and other receivables

	2025 $	2024 $
Trade receivables	126,244	156,602
Accrued income	13,375	17,203
Prepayments	9,387	10,309
	22,762	27,512
	149,006	184,114

	2025 $	2024 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	149,006	184,114

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

Note 11. Investments

	2025 $	2024 $
Current assets		
Term deposits	1,187,175	950,384

Note 12. Property, plant and equipment

	2025 $	2024 $
Leasehold improvements - at cost	179,639	183,464
Less: Accumulated depreciation	(136,273)	(133,310)
	43,366	50,154
Plant and equipment - at cost	95,711	104,836
Less: Accumulated depreciation	(85,175)	(92,974)
	10,536	11,862
Motor vehicles - at cost	43,559	43,559
Less: Accumulated depreciation	(13,098)	(7,653)
	30,461	35,906
	84,363	97,922

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2023	60,394	15,370	41,351	117,115
Depreciation	(10,240)	(3,508)	(5,445)	(19,193)
Balance at 30 June 2024	50,154	11,862	35,906	97,922
Additions	-	2,282	-	2,282
Disposals	-	(106)	-	(106)
Depreciation	(6,788)	(3,502)	(5,445)	(15,735)
Balance at 30 June 2025	43,366	10,536	30,461	84,363

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

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

Leasehold improvements	1 to 30 years
Plant and equipment	2 to 20 years
Motor vehicles	8 years

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

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

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

Note 13. Right-of-use assets

	2025 $	2024 $
Land and buildings - right-of-use	1,110,019	1,110,019
Less: Accumulated depreciation	(381,745)	(325,404)
	728,274	784,615

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

	Land and buildings $
Balance at 1 July 2023	821,438
Remeasurement adjustments	19,673
Depreciation expense	(56,496)
Balance at 30 June 2024	784,615
Depreciation expense	(56,341)
Balance at 30 June 2025	728,274

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 $	2024 $
Franchise fee	22,593	22,593
Less: Accumulated amortisation	(15,649)	(13,334)
	6,944	9,259
Franchise renewal fee	112,969	112,969
Less: Accumulated amortisation	(78,243)	(66,668)
	34,726	46,301
	41,670	55,560

Note 14. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2023	11,574	57,876	69,450
Amortisation expense	(2,315)	(11,575)	(13,890)
Balance at 30 June 2024	9,259	46,301	55,560
Amortisation expense	(2,315)	(11,575)	(13,890)
Balance at 30 June 2025	6,944	34,726	41,670

Accounting policy for intangible assets
Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2028

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

Note 15. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	5,886	2,801
Other payables and accruals	85,784	62,819
	91,670	65,620
Non-current liabilities		
Other payables and accruals	30,559	45,838

	2025 $	2024 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	122,229	111,458
less other payables and accruals (net GST payable to the ATO)	(7,461)	(5,403)
	114,768	106,055

Note 16. Lease liabilities

	2025 $	2024 $
Current liabilities		
Land and buildings lease liabilities	88,676	86,093
Non-current liabilities		
Land and buildings lease liabilities	729,782	763,132

Reconciliation of lease liabilities

	2025 $	2024 $
Opening balance	849,225	857,302
Remeasurement adjustments	-	17,945
Lease interest expense	58,134	60,290
Lease payments - total cash outflow	(88,901)	(86,312)
	818,458	849,225

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Warrandyte branch	7.25%	5 years	2 x 5 years	Yes	May 2038

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	679,460	679,460	679,460	679,460
Less: Equity raising costs	-	-	(22,174)	(22,174)
	679,460	679,460	657,286	657,286

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

Rights attached to issued capital

Note 17. Issued capital (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 18. Capital management

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

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

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

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

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

Note 19. Dividends

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

	2025 $	2024 $
Fully franked dividend of 10 cents per share (2024: 10 cents)	67,946	67,946

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

Franking credits

	2025 $	2024 $
Franking account balance at the beginning of the financial year	360,717	376,409
Franking credits (debits) arising from income taxes paid (refunded)	26,751	6,957
Franking debits from the payment of franked distributions	(22,649)	(22,649)
	364,819	360,717
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	364,819	360,717
Franking credits (debits) that will arise from payment (refund) of income tax	33,074	21,705
Franking credits available for future reporting periods	397,893	382,422

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

Note 20. Financial risk management

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

Note 20. Financial risk management (continued)

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

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

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

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

	2025 $	2024 $
Financial assets at amortised cost		
Trade and other receivables (note 10)	149,006	184,114
Cash and cash equivalents (note 9)	210,226	334,980
Term deposits (note 11)	1,187,175	950,384
	1,546,407	1,469,478
Financial liabilities		
Trade and other payables (note 15)	114,768	106,055
Lease liabilities (note 16)	818,458	849,225
	933,226	955,280

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets at amortised cost.

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

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

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

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

Note 20. Financial risk management (continued)

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $210,226 and term deposits of $1,187,175 at 30 June 2025 (2024: $334,980 and $950,384).

Price risk
The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

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

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	91,670	30,559	-	122,229
Lease liabilities	91,568	385,023	767,145	1,243,736
Total non-derivatives	183,238	415,582	767,145	1,365,965

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	65,620	45,838	-	111,458
Lease liabilities	88,901	379,689	864,048	1,332,638
Total non-derivatives	154,521	425,527	864,048	1,444,096

Note 21. Key management personnel disclosures

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

Aaron Michael William Farr
Emma Lorne MacDougal
Leanne Whitmore
Paul Anthony McCarthy
John Gary Provan
Timothy John Evans
Dennis John Clark
Anna Lee Cross
Wai Chung Cheung

Note 21. Key management personnel disclosures (continued)

Compensation
Key management personnel compensation comprised the following.

	2025 $	2024 $
Non-executive director payments	11,000	7,500

Compensation of the company's key management personnel paid to the non-executive Chair and non-executive Directors is intended to compensate volunteer Directors for incurred expenses.

Note 22. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

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

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

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

	2025 $	2024 $
Wonga Park Fire Brigade received sponsorship during the period. Aaron Farr is the Captain.	54,000	60,000
Love Your Sister Foundation received sponsorship during the period. Paul McCarthy's partner is the CEO.	1,200	1,200

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the company:

	2025 $	2024 $
Audit services - AFS		
Audit or review of the financial statements	6,820	6,450
Other services - AFS		
Taxation advice and tax compliance services	1,124	1,514
General advisory services	3,560	3,070
	4,684	4,584
	11,504	11,034

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 $	2024 $
Profit after income tax expense for the year	81,439	76,628
Adjustments for:		
Depreciation and amortisation	85,966	89,579
Lease liabilities interest	58,135	60,290
Change in operating assets and liabilities:		
Decrease in trade and other receivables	35,214	65,161
Decrease in income tax refund due	-	7,163
Increase in deferred tax assets	(10,216)	(11,975)
Increase/(decrease) in trade and other payables	25,363	(39,264)
Increase in provision for income tax	11,369	21,705
Increase/(decrease) in employee benefits	(1,511)	6,760
Net cash provided by operating activities	285,759	276,047

Note 25. Earnings per share

	2025 $	2024 $
Profit after income tax	81,439	76,628
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	679,460	679,460
Weighted average number of ordinary shares used in calculating diluted earnings per share	679,460	679,460
	Cents	**Cents**
Basic earnings per share	11.99	11.28
Diluted earnings per share	11.99	11.28

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Warrandyte Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors

_____
Aaron Michael William Farr
Non-executive director

1 September 2025

Independent audit report

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

Independent auditor's report to the Directors of Warrandyte Community Financial Services Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Warrandyte Community Financial Services Limited (the company), is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Warrandyte Community Financial Services Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 1 September 2025

Joshua Griffin
Lead Auditor

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