Annual Report 2025

Bay & Basin Community Financial Services Limited

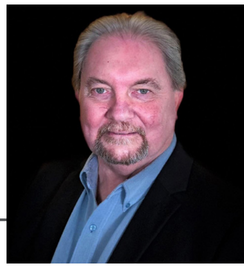
Community Bank
Sanctuary Point & Districts

ABN 62 105 756 063

Community Bank Sanctuary Point & Districts

Annual Report 2025

Chairman's Report



INTRODUCTION

The 2024/25 financial year saw steady results for Bay & Basin Community Financial Services Ltd, as you will see from the financials enclosed in this report. Things to note when looking at this year's financials include, a donation was made of $250,000 to the Community Enterprise Foundation, effectively reducing the profit made and we have paid out some $59,000 approximately, this was related to the car accident at the branch in November 2024, this amount is waiting reimbursement and will come in during the 25/26 financial year, this also reduced the potential profit of 24/25. This year saw interest trending downwards which puts pressure on margins and in turn profitability, 25/26 is predicted to be similar with an expectation for 3 more rate drops during the year.

Given the results achieved in this financial year it is pleasing to advise that Bay & Basin Community Financial Services Ltd has announced a dividend of 4.5 cents per share, this represents a return of 4.5% of your original par value.

It was pleasing to see the continued growth in our overall book value to over $134 million dollars' worth of business. This shows us that the Bay & Basin community continues to support its Community Bank and the future looks solid for the branch.

CORPORATE AFFAIRS

We are again offering this year's AGM face-to-face, along with a virtual offering for those who prefer to avail themselves of that option. If you would like to attend virtually please contact James at the branch and he will organise a link for you.

I urge you all to be a part of your company's AGM and join us for what is our 22nd annual meeting since formation back in 2003.

BOARD PRIORITIES AND STRATEGY

As a company we have contributed $325,000 of our profits from trade in 2024/2025, $250,000 to the Community Enterprise foundation for future projects, and $75,000 directly into projects in the Bay & Basin. Some of these are listed further on in my report.

BOARD CHANGES DURING THE YEAR

Bay & Basin Financial Services Ltd is lucky to have a group of volunteer directors who give freely of their time to help improve this area.

There were two director resignations during 2024/25.

Sharon Goldsmith left us in May 2025 to pursue other interests, we thank Sharon for the time she spent with us, her contributions are much appreciated.

Veronica Husted, retired from the board in June 2025, after a 20+ year association with the bank, we wish her well in her retirement and thank her for her unwaivering support over many years.

There have been no new appointments to the board during the financial year, but we are anticipating some new directors coming into our board during the first half of the new financial year.

SHAREHOLDER DIVIDENDS

Pleasingly this year we can announce a dividend of 4.5 cents per share, fully franked.

COMMUNITY CONTRIBUTIONS

This year has seen contributions of $325,000 into the foundation and local projects.

Apart from making significant contribution from 2025 profits the company has been able to assist in other ways

- $250,000 into foundation for future use
- Standby U Foundation Ltd – Safety Shield Deployment
- The Man Walk – Sponsorship

- Marine Rescue NSW - Jervis Bay Unit – Duck Derby Day Sponsorship
- St Georges Basin Bowls Club – Kids Fun Day Sponsorship
- Be The Vibe Sports and Resilience Academy – Sponsorship
- Shoalhaven First Nations Film Festival Inc – Story Telling Workshops for Local Indigenous Youth
- St Georges Basin Junior Rugby League Club – Club Sponsorship
- University Scholarship Program – Local Individuals
- St Georges Basin Country Club – Christmas Giving Tree
- Vincentia Matters Inc – Operating Costs of the Community Hub
- St Georges Basin Football Club Inc – Club Sponsorship
- Noah's Inclusion Services – Parent Connect Program
- Clontarf Foundation – Trailer for the Vincentia Academy
- KidzFix Foundation – Advanced Paediatric Life Support Training
- Sanctuary Point Community Pride Inc – SISP Fair Sound System & Event Application Fee
- Firefly / Youth Voice – Youth Voice Skate Events
- Basin View Volunteer Rural Fire Brigade – Fridges for Fire Appliances
- North Shoalhaven Meals on Wheels Ltd – Soft Sided Meal Eskies 2 x $10,000

BRANCH MATTERS

There have been a few changes at the branch during 24/25. Our previous manager Luke left us, and we employed James Marin as our new branch manager. James comes to us with a wealth of banking knowledge and staff management experience having previously been employed as the branch manager at Commonwealth Bank Huskisson. James joined us in March this year and has quickly become an integral part of our team. I will leave it to James to inform shareholders of our other team members at the branch.

We as directors thank the staff for all their efforts over the year and look forward to the next year building on the solid platform that has been created.

A NOTE OF THANKS

It would be remiss of me not to take this opportunity to thank our directors. We have a solid team of directors who are all volunteers and share the common goal of wanting something better for the Bay & Basin area.

I would like to take this opportunity to also recognise and thank our staff at the branch. Whilst they are employees, under James's guidance they are our biggest asset. The branch staff are the face of our company; without them the branch could not function. Our team not only keeps the doors open but continues to attract new customers and business to our bank.

SUMMATION

Simply put your company has had another good year. As you will see from the attached financial reports our results are very pleasing. We start the next financial year in a strong position having laid the foundations of a solid business.

Thank you for your support as shareholders, some of you have been with us since we started this journey and for that we say thank you, I am glad we have been able to reward you financially this year with a solid dividend.

Keith G Robinson A.I.F.S. J.P.
Chairman

Manager's Report

as at 30 June 2025

It is with great pride that I present my first manager's report. I commenced my appointment in March of this year, following 8 years as a Branch Manager with CBA and the last 5 years being located within the Bay & Basin area.

Accepting the branch manager's batten, has been a privilege. I understand the importance of leading the Community Bank Sanctuary Point & Districts and understand the part our Community Bank plays in the fabric of our community.

The past six months have been both rewarding and formative, marking an important phase in our journey as an organisation. I am excited to build upon the strong foundations already in place, fostering a culture of team collaboration, excellence in customer service and community engagement.

Financial Performance

Overall, business performance has been steady, reflecting resilience in the face of a decreasing interest rate environment and the commitment of my team during a period of significant change in management and personnel. While we recognise that we are still very much in a rebuilding phase, the progress made to date positions us well for the years ahead. I acknowledge the contribution of the previous Branch Manager, Anthony Van Breugel, who's home lending pipeline continued to fund well after his departure. Over the last financial year, the Community Bank achieved an increase in its book of business of $3.5 million to close at $134 million.

Our financial performance for the year has been positive, with consistent numbers reflecting both disciplined management and the resilience of our business model. Customer numbers are now increasing at 6% and total 3,559 customers, supported by steady growth in core business activities with highlights being personal unsecured lending and funds under management. Home lending was soft during the 2HY, but very much an area of constant focus along with business banking under the new One Community initiative.

Careful cost management saw operating expenses contained, while still allowing us to reinvest in growth initiatives. These numbers not only demonstrate the effectiveness of our rebuilding efforts but also give us confidence that we are on the right trajectory for sustainable, long-term growth.

Working in the Community

With a proactive approach to engaging with our community, we have already seen a significant increase in grant applications and sponsorship requests. This has resulted in a flurry of activity, with many grants, sponsorships and scholarships being funded by the end of the financial year. These initiatives not only demonstrate our commitment to supporting local causes but also strengthen our role as a trusted partner in the community. A significant focus of mine will be on how we can better tell our story. I have already started on this journey by taking an active role in the content for the About magazine and am looking to 'rebrand' the magazine with a fresh new logo to enhance its appeal with both existing and prospective customers.

Staffing

This period has also been about setting the foundations for renewed sustainable growth as retail banking continues to move away from being transactional, to one based on relationships. A central focus since coming onboard has been the development of our young and dynamic team. Their energy, adaptability and willingness to embrace change are driving a positive cultural shift across the organisation with a renewed focus on better customer conversations, ownership of the customer and customer's journey. By nurturing the team's talent and investing in professional growth, I am laying the groundwork for a team that will not only meet today's challenges but lead us confidently into the future.

This year saw the promotion of Tayla Markland to the role of in branch home lender. This is a significant step forward, as it enables us to continue offering a complete and professional suite of banking services to our customers. Her experience, growing confidence and commitment to living and breathing home lending, ensures that we are well placed to meet the needs of our community while strengthening our capacity for future growth.

Angelina Imbruglia continues her own professional development, growing in confidence and proving herself to be the strength of our front-of-house operations. Her presence not only supports the smooth running of the day-to-day activities but also provides reassurance we are on track to meet our risk and compliance requirements. I am excited to announce that Angelina will be moving into the role of personal lender shortly.

We have welcomed back Shelly Brown in a probationary role, who brings with her valuable experience, knowledge and a deep understanding of our existing ways of working. Shelly's return has strengthened our capability and provides support to the development of the newer members of the team while offering familiarity for our customers.

Kat Powell has continued her development achieving her Delegated Lending Authority (DLA). Given her dedication and effort over the last 12 months the decision was taken to promote her to the role of Customer Relationship Officer. Kat now leads our savings, personal lending and funds management functions as a qualified specialist. This promotion is well deserved, and I would like to take this opportunity to congratulate Kat, she has become invaluable to the Community Bank.

In summary, while there is still more work ahead, we have every reason to be optimistic. With a clear strategy, a capable and motivated team, and a strong foundation now in place, I am confident that the coming years will bring further growth and achievement which matches our ambition.

Regards

James Marin
Branch Manager

Directors' Report

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:	Keith Gordon Robinson
Title:	Non-executive director
Experience and expertise:	I have been an employee of Bendigo Bank Sanctuary Point in the role of Branch Manager since the opening of the branch in February 2004, was appointed Company Secretary August 2010 and Executive Director August 2019. Prior to commencing with Bendigo Bank I spent 5 years as a licensed Real Estate agent my final position in that industry was Commercial Leasing and Sales with Elders Nowra. I commenced my working career with National Bank starting in 1979 where I spent 7 years and then moved onto The Illawarra Mutual Building Society for 13 years. My qualifications include Degree in Business, majoring in Real Estate, Associate Member of the Institute of Financial Services, Justice of the Peace, sworn in 1987, Current working with children check, St Marks Anglican Church Founding Treasurer for Parish and Warranted Scout leader.
Special responsibilities:	Chair
Name:	Paul Michael Lallensack
Title:	Non-executive director
Experience and expertise:	Chief Operating Officer and Director of Epson Australia PTY Ltd. Financial Controller of Basketball Australia. Financial Controller and Company Secretary Maritime Container Services PTY Ltd. Finance Director City of Sydney Basketball Association. Bachelor of Arts degree Business Administration (Accounting). Varied financial, administrative and managerial experience.
Special responsibilities:	Deputy Chair, Chair of Governance and Audit Committee
Name:	Oliver Jonah Isaac Griffiths
Title:	Non-executive director
Experience and expertise:	School Captain (Vincentia High School 2020-21), Junior Observer of the Board (2020-22), Undergraduate Student at University of Wollongong (Bachelor of Laws/Economics and Finance 2022-27), 1st St. Georges Basin Cub Scout Leader, Store Assistant at Aldi Vincentia.
Special responsibilities:	Member of Community Committee
Name:	Susan Elizabeth O'Brien
Title:	Non-executive director
Experience and expertise:	Retired from aged care, both residential & community. Deputy Chair North Shoalhaven Meals on Wheels Ltd. B Hlth Sc (Ger), Dip Hlth Sc.
Special responsibilities:	Member of Governance Committee
Name:	Veronica Jean Husted
Title:	Non-executive director (resigned 23 June 2025)
Experience and expertise:	Library Assistant, NSW Public Schools, Women's Employment Officer, NSW Public Service, Deputy Chair of Southern Cross Community Housing, President of Crossroads Rural Fire Brigade, Secretary of Sanctuary Point Community Pride Inc., President of Howlong Historical Society, Member of Howlong City Progress Association and previous involvement in many aspects of the community. Has Certificate IV in Workplace Training and Assessment and a Diploma in Labour Law.
Special responsibilities:	Chair of Community and Human Resources Committees
Name:	Sharon Lee Goldsmith
Title:	Non-executive director (resigned 1 May 2025)
Experience and expertise:	Sharon has been managing a business for the last 38 years and is community orientated.
Special responsibilities:	Nil

Company secretary
The company secretary is Keith Gordon Robinson. Keith was appointed to the position of secretary on 25 August 2010.

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 $2,865 (30 June 2024: $106,459).

Operations have continued to perform in line with expectations.

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

	2025 $	2024 $
Fully franked dividend of 7.5 cents per share (2024: 7.5)	49,500	49,500

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
Subsequent to year end, the company finalised its insurance claim relating to damage to the shop front during the financial year. The settlement amount confirmed conditions that existed at 30 June 2025. As a result, the insurance income and other receivables have been adjusted to reflect the agreed settlement amount of $58,025.

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

Likely developments and expected results of operations
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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Board		Governance & Audit Committee		Human Resources committee		Finance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Keith Gordon Robinson	11	11	-	-	4	4	1	1
Paul Michael Lallensack	11	10	2	2	-	-	1	1
Oliver Jonah Isaac Griffiths	11	11	-	-	-	-	-	-
Susan Elizabeth O'Brien	11	9	2	2	-	-	-	-
Veronica Jean Husted	11	9	-	-	4	4	-	-
Sharon Lee Goldsmith	9	7	-	-	-	-	-	-

Directors' Report
continued

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

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

	Balance at the start of the year	Changes	Balance at the end of the year
Keith Gordon Robinson	-	-	-
Paul Michael Lallensack	-	-	-
Oliver Jonah Isaac Griffiths	-	-	-
Susan Elizabeth O'Brien	-	-	-
Veronica Jean Husted	500	-	500
Sharon Lee Goldsmith	-	-	-

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

Paul Michael Lallensack
Deputy Chair

18 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 Bay & Basin Community Financial Services Limited

As lead auditor for the audit of Bay & Basin 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:18 September 2025

Joshua Griffin
Lead Auditor

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	913,781	941,054
Other revenue	7	136,523	89,869
Finance revenue		33,975	27,142
Total revenue		1,084,279	1,058,065
Employee benefits expense	8	(415,693)	(316,744)
Advertising and marketing costs		(19,291)	(31,035)
Occupancy and associated costs		(73,606)	(8,519)
System costs		(19,827)	(17,184)
Depreciation and amortisation expense	8	(49,109)	(52,227)
Finance costs	8	(24,120)	(8,569)
General administration expenses		(197,230)	(184,102)
Total expenses before community contributions and income tax expense		(798,876)	(618,380)
Profit before community contributions and income tax expense		285,403	439,685
Charitable donations, sponsorships and grants expense	8	(280,732)	(298,505)
Profit before income tax expense		4,671	141,180
Income tax expense	9	(1,806)	(34,721)
Profit after income tax expense for the year		2,865	106,459
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,865	106,459
		Cents	**Cents**
Basic earnings per share	25	0.43	16.13
Diluted earnings per share	25	0.43	16.13

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

statement of financial position

as at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	10	521,269	662,481
Trade and other receivables	11	162,655	110,449
Current tax assets	9	34,937	-
Total current assets		718,861	772,930
Non-current assets			
Property, plant and equipment	12	71,716	86,227
Right-of-use assets	13	277,992	298,237
Intangible assets	14	52,730	66,792
Deferred tax assets	9	11,199	9,964
Total non-current assets		413,637	461,220
Total assets		1,132,498	1,234,150
Liabilities			
Current liabilities			
Trade and other payables	15	33,443	33,990
Lease liabilities	16	34,684	34,684
Current tax liabilities	9	-	22,335
Employee benefits		8,174	11,978
Total current liabilities		76,301	102,987
Non-current liabilities			
Trade and other payables	15	30,935	46,402
Lease liabilities	16	277,354	290,268
Employee benefits		23	1,007
Provisions		14,820	13,786
Total non-current liabilities		323,132	351,463
Total liabilities		399,433	454,450
Net assets		733,065	779,700
Equity			
Issued capital	17	624,056	624,056
Retained earnings		109,009	155,644
Total equity		733,065	779,700

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

statement of changes in equity

for the financial year ended 30 June 2025

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		624,056	98,685	722,741
Profit after income tax expense		-	106,459	106,459
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	106,459	106,459
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(49,500)	(49,500)
Balance at 30 June 2024		624,056	155,644	779,700

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		624,056	155,644	779,700
Profit after income tax expense		-	2,865	2,865
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	2,865	2,865
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(49,500)	(49,500)
Balance at 30 June 2025		624,056	109,009	733,065

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

statement of cashflows

for the financial year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,155,057	1,150,121
Payments to suppliers and employees (inclusive of GST)		(1,160,736)	(971,566)
Interest received		33,975	27,142
Income taxes paid		(60,312)	(42,665)
Net cash provided by/(used in) operating activities	24	(32,016)	163,032
Cash flows from investing activities			
Payments for property, plant and equipment	12	(9,635)	(53,407)
Payments for intangible assets		(14,061)	(11,718)
Net cash used in investing activities		(23,696)	(65,125)
Cash flows from financing activities			
Interest and other finance costs paid		(23,086)	(6,962)
Dividends paid	19	(49,500)	(49,500)
Repayment of lease liabilities		(12,914)	(25,687)
Net cash used in financing activities		(85,500)	(82,149)
Net increase/(decrease) in cash and cash equivalents		(141,212)	15,758
Cash and cash equivalents at the beginning of the financial year		662,481	646,723
Cash and cash equivalents at the end of the financial year	10	521,269	662,481

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

notes to the financial statements

for the financial year ended 30 June 2025

Note 1. Reporting entity

The financial statements cover Bay & Basin 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 1/200 Kerry Street, Sanctuary Point NSW 2540.

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 18 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

Impairment of 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.

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.

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

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 April 2029.

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 the 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.

notes to the financial statements

continued for the financial year ended 30 June 2025

Note 6. Revenue from contracts with customers

	2025 $	2024 $
Margin income	846,305	864,916
Fee income	41,743	47,924
Commission income	25,733	28,214
	913,781	941,054

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

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

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

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 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.

Note 6. Revenue from contracts with customers (continued)

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. Other revenue

	2025 $	2024 $
Insurance recoveries	58,025	8,206
Community Newsletter	78,498	81,663
	136,523	89,869

Community newsletter
This income relates to amounts received from various organisations within the community who advertise within the monthly newsletter.

Note 8. Expenses

Employee benefits expense

	2025 $	2024 $
Wages and salaries	346,571	276,945
Superannuation contributions	39,814	28,226
Expenses related to long service leave	(984)	351
Other expenses	30,292	11,222
	415,693	316,744

notes to the financial statements

continued for the financial year ended 30 June 2025

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2025 $	2024 $
Depreciation of non-current assets		
Leasehold improvements	10,866	13,331
Plant and equipment	3,936	6,212
	14,802	19,543
Depreciation of right-of-use assets		
Leased land and buildings	20,245	19,421
Amortisation of intangible assets		
Franchise fee	2,344	2,273
Franchise renewal fee	11,718	10,990
	14,062	13,263
	49,109	52,227

Finance costs

	2025 $	2024 $
Lease interest expense	23,086	6,962
Unwinding of make-good provision	1,034	1,607
	24,120	8,569

Charitable donations, sponsorships and grants expense

	2025 $	2024 $
Direct donation, sponsorship and grant payments	30,732	13,505
Contribution to the Community Enterprise Foundation™	250,000	285,000
	280,732	298,505

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 9. Income tax

	2025 $	2024 $
Income tax expense		
Current tax	3,041	36,948
Movement in deferred tax	(1,235)	(1,194)
Under/over adjustment	-	(1,033)
Aggregate income tax expense	1,806	34,721
Prima facie income tax reconciliation		
Profit before income tax expense	4,671	141,180
Tax at the statutory tax rate of 25%	1,168	35,295
Tax effect of:		
Non-deductible expenses	638	459
	1,806	35,754
Under/over adjustment	-	(1,033)
Income tax expense	1,806	34,721

	2025 $	2024 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(4,046)	(4,508)
Employee benefits	2,049	3,246
Provision for lease make good	3,705	3,447
Accrued expenses	980	1,100
Lease liabilities	78,009	81,238
Right-of-use assets	(69,498)	(74,559)
Deferred tax asset	11,199	9,964

	2025 $	2024 $
Income tax refund due	34,937	-

	2025 $	2024 $
Provision for income tax	-	22,335

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.

notes to the financial statements

continued for the financial year ended 30 June 2025

Note 9. Income tax (continued)

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 10. Cash and cash equivalents

	2025 $	2024 $
Cash at bank and on hand	521,269	662,481

Note 11. Trade and other receivables

	2025 $	2024 $
Trade receivables	75,431	80,958
Other receivables and accruals	79,844	18,990
Prepayments	7,380	10,501
	87,224	29,491
	162,655	110,449

	2025 $	2024 $
Financial assets at amortised cost classified as trade and other payables		
Total trade and other receivables	162,655	110,449
less other receivables and accruals (net GST receivable from the ATO)	(21,369)	(18,540)
	141,286	91,909

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 12. Property, plant and equipment

	2025 $	2024 $
Leasehold improvements - at cost	122,567	122,874
Less: Accumulated depreciation	(81,592)	(71,324)
	40,975	51,550
Plant and equipment - at cost	133,196	133,196
Less: Accumulated depreciation	(102,455)	(98,519)
	30,741	34,677
	71,716	86,227

Note 12. Property, plant and equipment (continued)

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 $	Total $
Balance at 1 July 2023	20,172	32,796	52,968
Additions	44,709	8,698	53,407
Disposals	-	(605)	(605)
Depreciation	(13,331)	(6,212)	(19,543)
Balance at 30 June 2024	51,550	34,677	86,227
Additions	9,635	-	9,635
Disposals	(9,344)	-	(9,344)
Depreciation	(10,866)	(3,936)	(14,802)
Balance at 30 June 2025	40,975	30,741	71,716

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	5 to 15 years
Plant and equipment	1 to 40 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	392,781	392,781
Less: Accumulated depreciation	(114,789)	(94,544)
	277,992	298,237

Note 13. Right-of-use assets (continued)

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	17,274
Additions	300,927
Remeasurement adjustments	(543)
Depreciation expense	(19,421)
Balance at 30 June 2024	298,237
Depreciation expense	(20,245)
Balance at 30 June 2025	277,992

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	105,635	105,635
Less: Accumulated amortisation	(96,847)	(94,503)
	8,788	11,132
Franchise renewal fee	228,166	228,166
Less: Accumulated amortisation	(184,224)	(172,506)
	43,942	55,660
	52,730	66,792

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	1,686	8,061	9,747
Additions	11,719	58,589	70,308
Amortisation expense	(2,273)	(10,990)	(13,263)
Balance at 30 June 2024	11,132	55,660	66,792
Amortisation expense	(2,344)	(11,718)	(14,062)
Balance at 30 June 2025	8,788	43,942	52,730

Note 14. Intangible assets (continued)

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)	April 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2029

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

Change in estimates
During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 15. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	8,670	5,431
Other payables and accruals	24,773	28,559
	33,443	33,990
Non-current liabilities		
Other payables and accruals	30,935	46,402

Note 16. Lease liabilities

	2025 $	2024 $
Current liabilities		
Land and buildings lease liabilities	34,684	34,684
Non-current liabilities		
Land and buildings lease liabilities	277,354	290,268

Reconciliation of lease liabilities

	2025 $	2024 $
Opening balance	324,952	26,035
Remeasurement adjustments	-	324,604
Lease interest expense	23,086	6,962
Lease payments - total cash outflow	(36,000)	(32,649)
	312,038	324,952

Note 16. Lease liabilities (continued)

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
Sanctuary Point Branch	7.5%	5 years	2 x 5 years	Yes	March 2039

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	660,000	660,000	660,000	660,000
Less: Equity raising costs	-	-	(35,944)	(35,944)
	660,000	660,000	624,056	624,056

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

Rights attached to issued capital

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

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

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

Note 17. Issued capital (continued)

<u>Dividends</u>
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).

<u>Transfer</u>
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%.

notes to the financial statements

continued for the financial year ended 30 June 2025

Note 18. Capital management (continued)

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

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

	2025 $	2024 $
Fully franked dividend of 7.5 cents per share (2024: 7.5)	49,500	49,500

Franking credits

	2025 $	2024 $
Franking account balance at the beginning of the financial year	116,758	57,765
Franking credits (debits) arising from income taxes paid (refunded)	60,312	75,493
Franking debits from the payment of franked distributions	(16,500)	(16,500)
	160,570	116,758
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	160,570	116,758
Franking credits (debits) that will arise from payment (refund) of income tax	(34,937)	22,335
Franking credits available for future reporting periods	125,633	139,093

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

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

Note 20. Financial risk management

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.

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.

Note 20. Financial risk management (continued)

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

	2025 $	2024 $
Financial assets		
Trade and other receivables (note 11)	83,261	91,909
Cash and cash equivalents (note 10)	521,269	662,481
	604,530	754,390
Financial liabilities		
Trade and other payables (note 15)	64,378	80,392
Lease liabilities (note 16)	312,038	324,952
	376,416	405,344

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

Accounting policy for financial instruments

Financial assets

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, and cash and cash equivalents.

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $521,269 at 30 June 2025 (2024: $662,481).

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.

Note 20. Financial risk management (continued)

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	33,443	30,935	-	64,378
Lease liabilities	36,000	144,000	312,000	492,000
Total non-derivatives	69,443	174,935	312,000	556,378

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	33,990	46,402	-	80,392
Lease liabilities	36,000	144,000	-	180,000
Total non-derivatives	69,990	190,402	-	260,392

Note 21. Key management personnel disclosures

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

Keith Gordon Robinson
Paul Michael Lallensack
Susan Elizabeth O'Brien
Oliver Jonah Isaac Griffiths
Veronica Jean Husted
Sharon Lee Goldsmith

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

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

Note 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.

Note 22. Related party transactions (continued)

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

	2025 $	2024 $
During the year the company made a donation to Sanctuary Point Community Pride, of which a director is the Secretary. The total benefit received was:	-	1,500
During the year the company made a donation to Meals on Wheels, of which a director is on the board. The total benefit received was:	4,248	-

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2025 $	2024 $
Audit services		
Audit or review of the financial statements	7,930	6,450
Other services		
Taxation advice and tax compliance services	265	700
General advisory services	3,790	4,014
Share registry services	8,384	5,193
	12,439	9,907
	20,369	16,357

Note 24. Reconciliation of profit after income tax to net cash provided by/(used in) operating activities

	2025 $	2024 $
Profit after income tax expense for the year	2,865	106,459
Adjustments for:		
Depreciation and amortisation	49,109	52,227
Net loss on disposal of non-current assets	9,344	605
Lease liabilities interest	23,086	6,962
Change in operating assets and liabilities:		
Increase in trade and other receivables	(52,207)	(6,198)
Increase in income tax refund due	(34,937)	-
Increase in deferred tax assets	(1,235)	(1,194)
Increase/(decrease) in trade and other payables	(1,953)	6,285
Decrease in provision for income tax	(22,334)	(6,750)
Increase/(decrease) in employee benefits	(4,788)	3,030
Increase in other provisions	1,034	1,606
Net cash provided by/(used in) operating activities	(32,016)	163,032

notes to the financial statements

continued for the financial year ended 30 June 2025

Note 25. Earnings per share

	2025 $	2024 $
Profit after income tax	2,865	106,459
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	660,000	660,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	660,000	660,000
	Cents	**Cents**
Basic earnings per share	0.43	16.13
Diluted earnings per share	0.43	16.13

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Bay & Basin 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

Subsequent to year end, the company finalised its insurance claim relating to damage to the shop front during the financial year. The settlement amount confirmed conditions that existed at 30 June 2025. As a result, the insurance income and other receivables have been adjusted to reflect the agreed settlement amount of $58,025.

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

director's 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

Paul Michael Lallensack
Deputy Chair

18 September 2025

independent auditor's 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 Bay & Basin Community Financial Services Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Bay & Basin Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Bay & Basin 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.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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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:18 September 2025

Joshua Griffin
Lead Auditor

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Bendigo Bank