BENDIGO TELCO LIMITED

A.B.N. 88 089 782 203

2025 FINANCIAL REPORT

OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES

The principal activities of Bendigo Telco Limited (the Group) during the course of the financial year were telecommunications services.

OPERATING RESULTS AND REVIEW OF OPERATIONS

Operational Review

Throughout the financial year ended 30 June 2025, the Bendigo Telco Group continued to navigate a rapidly evolving telecommunications environment. For the year ended 30 June 2025 the Group recorded a loss after tax totalling $159k (2024: $5,865k) and had a working capital deficiency totalling $902k (2024: $764k). The working capital deficiency was primary due to a breach in financial covenants under the Group's loan facility with Bendigo and Adelaide Bank Ltd, resulting in non-current borrowings of $627k being reclassified to current liabilities as at 30 June 2025. Excluding this reclassification, the Group would have reported a working capital deficiency of $275k (2024: $142k working capital surplus).

Our strategic priorities in expanding our service portfolio, enhancing the customer experience, and improving operational efficiency have remained central to our performance, culminating in a positive EBITDA of $480K for the year, despite the above results.

As anticipated, the Group's financial results were impacted by declines in voice and managed data products however the Group was able to stabilise revenues from mobile, NBN and Cloud. As a result, total revenue declined by 9.2% compared to the previous year.

The telecommunications industry remains in a state of rapid transition, marked by technological disruption and shifting customer expectations. The continued commoditisation of core connectivity services has exerted downward pressure on margins, reinforcing the need for innovation and business model evolution.

The decline in revenues and continued margin squeeze prompted a review and subsequent adjustment to the Groups support cost base during the second half of the financial year. These adjustments resulted in the Group reporting a net profit after tax for H2 FY25 of $58k after incurring restructuring costs of $148k.

Despite a competitive and challenging market, Bendigo Telco has maintained its standing as a reliable and trusted technology partner across our customer base and the communities we serve. Our response to the commoditisation of legacy services has been to continue to prioritise the development of higher-value offerings such as managed IT, cloud solutions, and cybersecurity—areas that align with our long-term growth strategy and the evolving needs of our customers.

Our strategic direction remains focused on positioning the Group as a preferred technology partner. The Group believes that this strategy still resonates across our chosen markets as we continue to expand our product offerings, drive operational efficiency, enhance customer experience and positively impact the communities that we have the privilege to serve.

The Board is convinced that if we continue to implement the changes and product enhancements required, the business will be able to transition to more sustainable revenues into the future.

Property Leases

During the financial year, the Group reviewed its property lease arrangements and subsequently made the decision not to exercise its option to renew the leases for Level 9, 39 Murray Street, Hobart and 33 Piper Road, Bendigo. Both premises were vacated prior to 30 June 2025.

The Group performed a remeasurement of its right of use assets/lease liabilities for these two leases during the previous financial year on the basis that it was reasonably certain not to exercise its options. As such, there was no requirement for the Group to perform any remeasurements of its right of use assets/lease liabilities for the current financial year.

Cyber Security Risks

The Group recognises the critical importance of cybersecurity in protecting its operations, assets, and sensitive data, as well as those of its customers. Robust information systems, networks, and controls are in place to identify, assess, and mitigate potential cyber threats and vulnerabilities.

A multi-layered cybersecurity framework has been implemented, incorporating firewalls, intrusion detection systems, data encryption, access management, and regular employee awareness and training programmes. These measures are designed to prevent unauthorised access, data breaches, and other malicious activity.

In the event of a cybersecurity incident, the Group has a well-defined incident response plan to ensure timely reporting, investigation, mitigation, and communication with stakeholders and relevant regulatory authorities as appropriate.

While a successful cyberattack could result in operational disruption, financial loss, or reputational damage, the Group remains committed to the effective management of cybersecurity risks. Insurance coverage is in place to offset certain financial impacts in the event of a significant breach.

Financial and Operating Results

Total Group revenue decreased by 9.2% from the prior year delivering a total turnover of $23,448,705 (FY24: $25,823,635).

The NPAT result for the year, on a reported basis, was a loss of $152,949 (FY24: $5,865,083).

Summary financial results	FY25 $'000	FY24 $'000	Change (%)
Revenue	23,449	25,824	-9.20%
Gross margin	11,229	13,318	-15.69%
Net profit/(loss) after tax	(153)	(5,865)	+97.39%
EBITDA	480	367	+30.79%
Underlying net profit/(loss) after tax*	(42)	(1,042)	+95.97%
Earnings per share (cents)	(1.97)	(75.60)	

* Underlying net profit/(loss) after tax represents results excluding non-cash impairments to goodwill and other intangibles and restructuring costs

The net assets of the Group decreased by $127,949 from the prior year to $1,295,845 (FY24: $1,423,794).

The Group recorded a working capital deficiency of $901,525 with current liabilities of $3,687,977 exceeding current assets of $2,786,452.

The working capital deficiency was primarily due to a breach of financial covenants under the Group's loan facility with Bendigo and Adelaide Bank Ltd, resulting in non-current borrowings of $627,032 being reclassified to current liabilities as at 30 June 2025.

Excluding this reclassification, the group would have reported a working capital deficiency of $274,493 (2024: $142,308 working capital surplus).

After evaluating the Group's financial performance, strategic objectives, and ongoing investment in its transition to becoming our customers' preferred technology partner, the directors decided not to declare a final dividend for this financial year.

Major Customer Contracts

In July 2025, subsequent to year end, the Group was notified by a major customer that two of its significant contracts, which together represent approximately 24.1% of the Group's revenue, will be subject to a competitive tender process.

One of these contracts contains a termination for convenience clause that allows Bendigo and Adelaide Bank Ltd to terminate the contract by giving at least 120 days' notice in writing, while the other contract expires on 31 December 2025.

The Group will submit its tender response by 28 August 2025, with the outcome expected to be known by late September 2025.

If the Group is unsuccessful in retaining these contracts, revenue and cash flows are expected to decline materially during the year ending 30 June 2026 and may impact the Group's ability to continue as a going concern, requiring the Group to obtain alternative funding or implement restructuring initiatives to preserve liquidity.

Future Outlook

The year ahead is expected to present a blend of challenges and opportunities for the Group. The Group will maintain its strategic focus on pursuing emerging market opportunities and optimising its infrastructure footprint. This includes the continued decommissioning and rationalisation of infrastructure assets that no longer deliver or support the Groups products and services or positive customer outcomes. Alongside these efforts, the Group will remain steadfast in its commitment to delivering high-quality service and support to our valued customers and communities.

As we advance our strategy to position Bendigo Telco as the technology partner of choice, our efforts remain anchored in long-term sustainability and meeting the increasing demand for digital solutions across the regions we serve.

The Group remains firmly committed to creating enduring value for all stakeholders including shareholders, customers, employees, and the communities we serve. The Board continues to support the Group's strategic direction and is confident in our ability to deliver on our objectives.

Ongoing investment in our people, service offerings, and operational capabilities—together with a balanced approach to organic and inorganic growth—will underpin our long-term success.

In forming this outlook, the Board acknowledges that two significant contracts with one major customer, representing a significant portion of Group's revenue (24.1%) are currently subject to a competitive tender process. The outcome of this process is uncertain and, if the contracts are not renewed, this may materially affect the Group's future financial performance and funding requirements. In addition, the Group has breached certain banking covenants during the year which resulted in borrowings being classified as current liabilities at balance date. While the lender has not demanded repayment and the Group continues to operate within facility limits, the Board recognises that future access to funding remains an important factor in supporting the Group's operations.

We will continue to actively monitor these matters and are confident that the Group's strategy, combined with its strong relationships with customers, lenders, and stakeholders, will enable it to respond appropriately to the challenges and opportunities that lie ahead. We recognise that our strength lies in the trust placed in us by our customers and communities. Maintaining that trust through consistent service delivery, meaningful engagement, and a genuine commitment to community prosperity remains central to our purpose. We aspire not only to be a reliable technology provider, but a long-term partner contributing to the growth and well-being of the communities we proudly serve.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS AFTER THE REPORTING PERIOD

In July 2025, subsequent to year end, the Group was notified by its major customer that two of its significant contracts, which together represent approximately 24.1% of the Group's revenue, will be subject to a competitive tender process.

One of these contracts contains a termination for convenience clause that allows the major customer to terminate the contract by giving at least 120 days' notice in writing, while the other contract expires on 31 December 2025.

The Group will submit its tender response by 28 August 2025, with the outcome expected to be known by late September 2025.

If the Group is unsuccessful in retaining these contracts, revenue and cash flows are expected to decline materially during the year ending 30 June 2026, which may require the Group to obtain alternative funding or implement restructuring initiatives to preserve liquidity.

Further information regarding the potential implications of this matter on the Group's ability to continue as a going concern is provided in Note 1.

As at 30 June 2025, the Group was in breach of its financial covenants under its loan agreement with Bendigo and Adelaide Bank Ltd, resulting in borrowings of $ $627,032 being reclassified from non-current liabilities to current liabilities. Subsequent to year end, but prior to the date of this report, no waiver or other correspondence has been received from the lender regarding this breach.

Since the end of the financial year the Board of Directors resolved to not declare a final dividend.

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely developments in the operations of the Group and the expected results of those operations have been disclosed in the Report by the Chairman and Managing Director in the Concise Annual Report, where appropriate.

In particular, the Board notes that two major customer contracts, which represent 24.1% of revenue for the year ended 30 June 2025, are currently subject to a competitive tender process, the outcome of which is uncertain and may materially affect the Group's future prospects. The Group has also breached banking covenants as at 30 June 2025, resulting in the reclassification of $627,032 of non-current borrowings to current liabilities. These matters are disclosed elsewhere in this report and the financial statements.

Beyond these matters, further disclosure of specific future developments or strategies would, in the opinion of the directors, be likely to result in unreasonable prejudice to the interests of the Group.

ENVIRONMENTAL ISSUES

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

CORPORATE GOVERNANCE STATEMENT

Bendigo Telco Limited is committed to high standards of Corporate Governance. This commitment applies to the conduct of its business dealings with its customers and its dealings with its shareholders, employees, suppliers and the Community.

The Board of Bendigo Telco Limited have adopted the following principles of Corporate Governance. The policies may be viewed on the group website www.bendigotelco.com.au.

1. A Board Charter which outlines the responsibilities of the Board by formalising and disclosing functions reserved to the Board and those delegated to management.
2. An Audit and Risk Committee Charter and the appointment of the Audit and Risk Committee as a sub-committee of the Board. The members of the Audit and Risk Committee were Directors Rob Hunt, Donald Erskine (retired 27 November 2024) Rod Payne, Kevin Dole and Greg Gillett.
3. A Share Trading policy which outlines directors and employees obligations in trading in its securities. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the Group's security price.
4. A Remuneration policy which sets out the terms and conditions for the Managing Director and other senior managers. The members of the Remuneration Committee were Directors Rob Hunt and Kevin Dole.
5. A Continuous Disclosure policy which complies with the obligations imposed by National Stock Exchange (NSX) Listing Rules and the *Corporations Act 2001* . This policy requires immediate notification to the NSX of any information concerning the group, of which it is aware or becomes aware, which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the group shares.

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed in the director's report.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred herein as the Group) consisting of Bendigo Telco Limited and its controlled entities for the financial year ended 30 June 2025. The information in the preceding operating and financial review forms part of this directors' report for the financial year ended 30 June 2025 and is to be read in conjunction with the following information:

GENERAL INFORMATION

DIRECTORS

The following persons were directors of the Group during or since the end of the financial year up to the date of this report:

Mr R Hunt (Chairman)	Mr G Gillett
Mr D Erskine (Retired 27 November 2024)	Ms N Rooke (Resigned 30 July 2025)
Mr K Dole	Mr S Griffin
Mr R Payne	

Particulars of each director's experience and qualifications are set out later in this report.

DIVIDENDS PAID OR RECOMMENDED

Ordinary Dividends Paid or Declared (Fully Franked):

No dividends were paid or declared.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Group has not provided any insurance for an auditor of the Group or a related body corporate.

PROCEEDINGS ON BEHALF OF GROUP

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

The Group was not a party to any such proceedings during the year.

LIKELY DEVELOPMENTS

The Group has been advised that it's major customer has placed two significant contracts (which represent approximately 24.1% of the Group's revenue) into a competitive tender process.

The Group will submit a tender response by 28 August 2025, with the outcome expected to be known in September 2025. The Board remains optimistic regarding the outcome but recognises the uncertainty over the renewal of these contracts.

EVENTS AFTER REPORTING PERIOD

In July 2025, subsequent to year end, the Group was notified by its major customer that two of its significant contracts, which together represent approximately 24.1% of the Group’s revenue, will be subject to a competitive tender process.

One of these contracts contains a termination for convenience clause that allows the major customer to terminate the contract by giving at least 120 days' notice in writing, while the other contract expires on 31 December 2025.

The Group will submit its tender response by 28 August 2025, with the outcome expected to be known by late September 2025.

If the Group is unsuccessful in retaining these contracts, revenue and cash flows are expected to decline materially during the year ending 30 June 2026, which may require the Group to obtain alternative funding or implement restructuring initiatives to preserve liquidity.

Further information regarding the potential implications of this matter on the Group’s ability to continue as a going concern is provided in Note 1.

As at 30 June 2025, the Group was in breach of its financial covenants under its loan agreement with Bendigo and Adelaide Bank Ltd, resulting in borrowings of $ $627,032 being reclassified from non-current liabilities to current liabilities. Subsequent to year end, but prior to the date of this report, no waiver or other correspondence has been received from the lender regarding this breach.

Since the end of the financial year the Board of Directors resolved to not declare a final dividend.

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

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Group 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 the notes to the accounts.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* . The directors are satisfied that the following services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee prior to the commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with the APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or are payable to Andrew Frewin Stewart for non-audit services provided during the year ended 30 June 2025:

	$
Taxation services	1,970
Share registry services	8,229
	10,199

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 as required under section 307C of the *Corporations Act 2001* , has been received and can be found on page 18 of the financial report.

OPTIONS

The Group has not issued any share options.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed below.

Robert Hunt – AM, FAICD - Chairman

Occupation	Director / Investor
Qualifications	Fellow of the Australian Institute of Company Directors, 2003 Doctor of the University (honoris causa), LaTrobe University, 1999
Experience	Mr Hunt retired as Managing Director of Bendigo and Adelaide Bank on 3 July 2009 after 21 years as Chief Executive Officer. Mr Hunt was the principal architect of the **Community Bank**® business model, and has been instrumental in the development of a range of Community Enterprise and Engagement models, utilised over the last 20 years by communities across Australia to provide key infrastructure and essential services through local commercial structures. These Enterprises can provide communities with a framework, the cashflow, capacity and flexibility to address new economic opportunities in their own local economies.
Interest in shares	Indirect – Hunters Ridge Pty Ltd (Hunt Family Trust) 55,000 Shares Indirect – Hunters Ridge Pty Ltd (Rob & Annette Hunt Superannuation Fund) 458,758 Shares
Special Responsibilities	Chair of Remuneration Committee and Member of Audit and Risk Committee.
Other Directorships & Appointments	Director, Apollo Bay Central District Community Bank since 2011; Director, BEUT Property Pty Ltd
Honours and Awards	Order of Australia Award /Member (AM) General Division, 2002; Paul Harris Fellowship Award, Rotary Club of Bendigo Sandhurst, 2000; Citizen of the Year Award, City of Greater Bendigo 1999; Key to the City Award, City of Greater Bendigo 2009.

Kevin Dole – Managing Director

Occupation	Managing Director
Qualifications	Associate Diploma in Information Processing (Latrobe)
Experience	Kevin was appointed as Managing Director in July 2021. Prior to this appointment he provided consultancy for 12 months in a full time capacity and has been on the Board of Directors since September 2016. His career spans over 37 years in the technology industry with specific experience in delivering solutions and services in the banking and finance sector. Throughout his career he has held several senior technical and leadership roles. He has considerable experience in Strategic development, large program delivery, due diligence for mergers and acquisitions and delivery of organisation change programs. Kevin is focused on continuing to ensure long term shareholder value and delivering value for all stakeholders through sustainable partnerships.
Interest in shares	Direct - 25,000 shares
Special Responsibilities	Member of Audit and Risk Committee and Member of Remuneration Committee
Other Directorships	Director - Bendigo Stadium Limited Additional responsibilities: Audit, Risk and Finance sub-committee Director - St Arnaud Sporting Club

Rodney Payne – Director

Occupation	Consultant / Retired Lawyer
Qualifications	Bachelor of Law (Melbourne University)
Experience	Rod was a lawyer in commercial practice for over 40 years and was a partner at Harwood Andrews from 2000 before retiring from practice in 2025. Rod was a director of Geelong Community Telco Pty Ltd and Vicwest Community Telco prior to the amalgamation of Vicwest with Bendigo Telco Ltd. In his legal practice Rod undertook a broad range of commercial work and in his role in Karingal and Karingal St Laurence has been involved in major developments and mergers.
Interest in shares	Indirect - Linrod Holdings Pty Ltd atf the Payne Investment Trust A/C 22,484 shares
Special Responsibilities	Member of Audit and Risk Committee
Other Directorships	Director - Homes To Help Limited

Gregory Gillett – Director

Occupation	Retired
Qualifications	Senior Fellow of the Financial Services Institute of Australia.
Experience	Greg is a retired Bank Executive with 37 years of experience in the banking industry (20 years at NAB and 17 years at Bendigo Bank). The last 10 years of his working life being in Executive roles at the Bendigo Bank. Greg has held Executive roles covering Retail Banking, Marketing, Human Resources, Strategic Planning and Community Development. Greg has been a company Director of both private and publicly listed companies.
Interest in shares	Direct - 24,108 shares
Special Responsibilities	Chairman of Audit and Risk Committee
Other Directorships	Nil

Stephen Griffin – Director

Occupation	Director, Kelly Partners (Bendigo) Pty Ltd
Qualifications	Chartered Accountant Certified Practising Accountant Member AICD, ATMA
Experience	Steve over his 40 plus year career has worked in Industry, Public Accounting and Business Consulting and as Managing Partner of a large, diversified consultancy firm, MGR Advisory Group, which included MGR Accountants, 360 Private Wealth & MGR Information Technology. Steve is committed to best practice accounting and advising, outstanding team culture and leadership in technology advancement taking his business into the top 50 consulting firms in Australia. Steve has acted as advisor, business consultant to businesses in various industries helping them establish and achieve their strategic goals. He is committed to his family and along with his wife Kerrie has helped raise four wonderful children. He has a high level of commitment to community and has volunteered his services to many not for profit community organisations in the areas of youth, regional development, recycling, women's support and promotion, disability services and accommodation support. His focus is on helping Bendigo Telco through its structural transition as outlined in its strategic plan.
Interest in shares	Indirect - MGR Property Trust ATF MGR Investment Trust (one-third interest) 90,000 shares
Special Responsibilities	Nil
Other Directorships	Various Pty Ltd Companies.

Nicole Rooke – Director

Occupation	Head of Planning and Execution, Bendigo and Adelaide Bank Ltd
Qualifications	CPA, B Commerce
Experience	Nicole has almost 20 years' experience in Financial Services in varying roles within Finance, Investor Relations and Strategy. Nicole is currently Head of Planning and Execution for Bendigo and Adelaide Bank. Prior to working for the bank, Nicole was based in London and held financial and management accounting roles for Sempra Energy and Intelligent Engineering. Prior to this, Nicole worked as a public accountant and tax specialist for Pitcher Partners and was based in Melbourne. Nicole's prior Directorship was with VRCLP from 2016 to 2018, a not-for-profit organisation focused on effective leadership for a vibrant and sustainable regional Victoria.
Interest in shares	Nil
Special Responsibilities	Nil
Other Directorships	Advisory Board Member for the La Trobe Business School

Donald Erskine – Director

Occupation	Managing Director – Industrial Conveying (Aust.) Pty Ltd
Experience	Don is trained as a mechanical engineer. He is Managing Director of Industrial Conveying (Aust.) Pty Limited which was formed by Don in 1979 and DJE Investments Pty Ltd. His previous appointments include non-executive Director of Bendigo Bank and a member of the Bank's Credit, IT Strategy and Property Committees, Director of North West Country Credit Union Co-op Ltd, Director of Coliban Water, Director of Community Telco Australia, Director of Bendigo Economic Development Committee, Chairman of Australian Technical College and Director of Bendigo Regional Institute of TAFE. Don is actively involved in the Bendigo Community.
Interest in Shares	Direct - 0 Shares Indirect – Erskine Investments Pty Ltd 939,326 Shares
Special Responsibilities	Member of the Audit and Risk Committee.
Other Directorships	Nil

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:
Mr Ken Belfrage FCA, GAICD, Dip. Bus.
Mr Belfrage is an experienced Company Director and Company Secretary who has extensive business, finance and general management skills including 34 years as a practicing public accountant.

MEETINGS OF DIRECTORS

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
Directors	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Robert Hunt	9	8	4	4	1	1
Donald Erskine	4	3	2	2	-	-
Kevin Dole	9	9	4	4	1	1
Rodney Payne	9	8	4	4	-	-
Gregory Gillett	9	7	4	3	-	-
Nicole Rooke	9	7	-	-	-	-
Stephen Griffin	9	6	-	-	-	-

DIRECTORS BENEFITS AND INTEREST IN CONTRACTS

No director has received or become entitled to receive during or since the financial year, a benefit because of a contract made by the group with the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the group's accounts, prepared in accordance with the Corporate Regulations, or the fixed salary of full-time employees of the group, controlled entity or related body corporate other than interests and benefits disclosed at Note 31 to the Financial Statements.

REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by Section 308 (3c) of the *Corporations Act 2001* .

This report details the nature and amount of remuneration for each key management person of the Group, and for the executives receiving the highest remuneration.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and incentives based on key performance areas affecting the Group's financial results. The Board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the group is as follows:

- The remuneration policy, setting the terms and conditions for the KMP, was developed by the Remuneration Committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.
- The Remuneration Committee reviews key management personnel packages annually. This review is subject to the remuneration policy set by the Board.
- The Remuneration Committee, at their discretion, can refer their business to the full Board for consideration.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

KMP receive, at minimum a superannuation guarantee contribution required by the government, which is currently 11.5% before 1 July 2025 and 12.0% after 1 July 2025 of the individuals average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the Group and expensed. KMP are also entitled and encouraged to participate in the employee share plan to align directors' interests with shareholder interests. Shares given to KMP are expensed at the market price as listed on the National Stock Exchange at the date of granting of any shares under the employee share plan.

Performance-based remuneration

As part of each of the KMP's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with KMP to ensure buy-in.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved.

Directors

From the inception of the Group, all non-executive directors who have served have done so free of charge. It was put to the Annual General Meeting in October 2007, and approved, that a payment of $15,000 per director be made for each full year of service from 1 July 2007 onwards.

Key Management Personnel

(i) Non-Executive Directors

Robert Hunt	Chairman	
Donald Erskine	Director	(Retired 27 November 2024)
Rodney Payne	Director	
Gregory Gillett	Director	
Nicole Rooke	Director	(Resigned 30 July 2025)
Stephen Griffin	Director	

(ii) Executive Director

Kevin Dole	Managing Director

(iii) Other KMP

Steven Wright	Chief Financial Officer

Group performance, shareholder wealth and director and executive remuneration

The following table shows the gross revenue, profits and dividends for the last five years for the Group, as well as the share price at the end of the respective financial years.

In 2022, net profits declined as a result of the ongoing decrease in legacy voice and data products, coupled with investments in expanding and integrating the Group's service-based business. 2023 net profits were impacted following a decrease in data centre services and the delay in realising synergies and efficiencies from the business assets acquired during the 2022 calendar year. 2024 net profits continued to be impacted following the decrease of data centre services in 2023 as well as significant non-cash impairments to goodwill, property plant and equipment and other intangibles. 2025 net profits improved in the second half following additional restructuring. Average dividend yield over the past five years is 6.41% fully franked.

	2021	2022	2023	2024	2025
Revenue	$29.7M	$26.6M	$28.1M	$25.9M	$23.4M
EBITDA	$4.19M	$2.86M	$2.47M	$0.37M	$0.48M
Net profit/(loss)	$1.04M	$0.25M	$0.10M	($5.87M)	($0.15M)
Share price at year end	$1.25	$0.95	$0.50	$0.50	$0.50
Dividends paid	15.5 cents	9.5 cents	3.5 cents	0.0 cents	0.0 cents
Basic EPS	13.36 cents	3.25 cents	0.82 cents	(75.6) cents	(1.97) cents

Details of remuneration for year ended 30 June 2025

		Short term benefits		Post employment benefits	Share-based payment			
		Salaries & Fees $	Non-Cash Benefits $	Superannuation $	Shares $	Termination Benefits $	Total $	Proportion of remuneration performance based %
Non-Executive Directors								
Robert	2025	13,453	-	1,547	-	-	15,000	-
Hunt	2024	13,514	-	1,486	-	-	15,000	-
Donald	2025	5,605	-	645	-	-	6,250	-
Erskine	2024	13,514	-	1,486	-	-	15,000	-
Jonathon	2025	-	-	-	-	-	-	-
Selkirk	2024	10,135	-	1,115	-	-	11,250	-
Rodney	2025	13,453	-	1,547	-	-	15,000	-
Payne	2024	14,257	-	743	-	-	15,000	-
Gregory	2025	13,453	-	1,547	-	-	15,000	-
Gillett	2024	13,514	-	1,486	-	-	15,000	-
Nicole	2025	13,453	-	1,547	-	-	15,000	-
Rooke	2024	13,514	-	1,486	-	-	15,000	-
Stephen	2025	15,000	-	-	-	-	15,000	-
Griffin	2024	15,000	-	-	-	-	15,000	-
Executive Director								
Kevin	2025	288,832	-	31,491	12,500	-	332,823	11
Dole	2024	272,774	-	28,355	-	-	301,129	9
Other KMP								
Steven	2025	232,845	-	25,197	12,500	-	270,542	9
Wright	2024	226,744	-	23,292	-	-	250,036	10
	2025	596,094	-	63,521	25,000	-	684,615	
	2024	592,966	-	59,449	-	-	652,415	

This marks the end of the audited remuneration report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors on 27 August 2025, pursuant to section 298(2)(a) of the *Corporations Act 2001* .

Robert Hunt	Kevin Dole
Chairman	Director

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

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Bendigo Telco Ltd and Controlled Entities

As lead auditor for the audit of Bendigo Telco Ltd and Controlled Entities 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 this 27th day of August 2025

Jessica Ritchie
Lead Auditor

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $	2024 $
Revenue	4(a)	23,448,705	25,823,635
Cost of products sold		(12,219,976)	(12,505,500)
Other income		-	30,079
Finance income		183	8,649
Salaries and employee benefit costs		(8,070,299)	(9,419,373)
Occupancy and associated costs		(184,475)	(184,867)
General administration costs		(906,767)	(1,605,822)
Depreciation and amortisation costs	5(a)	(509,866)	(1,589,071)
Advertising and promotion costs		(108,285)	(103,905)
Systems costs		(1,420,214)	(1,603,820)
Borrowing costs	5(c)	(187,768)	(216,111)
Impairment losses	5(d)	-	(4,745,644)
Loss before income tax		(158,762)	(6,111,750)
Income tax benefit	6	5,813	246,667
Loss after income tax		(152,949)	(5,865,083)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(152,949)	(5,865,083)
Total comprehensive income attributable to members of Bendigo Telco Limited		(152,949)	(5,865,083)
Earnings per share			
Basic earnings per share (cents)	10	(1.97)	(75.60)
Diluted earnings per share (cents)	10	(1.97)	(75.60)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 $	2024 $
Current Assets			
Cash and cash equivalents	11	929,786	999,063
Trade and other receivables	12	1,327,329	1,866,932
Prepayments		411,554	608,068
Inventories	13	79,334	72,550
Current tax assets	23(a)	38,449	84,107
Total Current Assets		**2,786,452**	**3,630,720**
Non Current Assets			
Prepayments		15,591	33,140
Property, plant and equipment	15	203,235	277,818
Right-of-use assets	16	516,158	636,181
Intangible assets	17	1,033,484	1,119,144
Deferred tax asset	23(b)	853,989	848,176
Total Non Current Assets		**2,622,457**	**2,914,459**
TOTAL ASSETS		**5,408,909**	**6,545,179**
Current Liabilities			
Trade and other payables	18	1,341,043	1,540,220
Borrowings	19	1,090,747	1,255,123
Lease Liabilities	20(a)	365,881	489,803
Employee Entitlements	21	773,587	1,105,339
Provisions	22	116,719	4,450
Total Current Liabilities		**3,687,977**	**4,394,935**
Non Current Liabilities			
Lease Liabilities	20(b)	383,603	565,587
Employee Entitlements	21	27,300	64,326
Provisions	22	14,184	96,537
Total Non Current Liabilities		**425,087**	**726,450**
TOTAL LIABILITIES		**4,113,064**	**5,121,385**
NET ASSETS		**1,295,845**	**1,423,794**
EQUITY			
Issued capital	24	7,057,430	7,032,430
Accumulated losses		(5,761,585)	(5,608,636)
TOTAL EQUITY		**1,295,845**	**1,423,794**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Ordinary Share Capital $	Accumulated Losses $	Total $
Balance at 1 July 2023		7,032,430	256,447	7,288,877
Comprehensive Income				
Loss for the year		-	(5,865,083)	(5,865,083)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(5,865,083)	(5,865,083)
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	9	-	-	-
Total transactions with owners and other transfers		-	-	-
Balance at 30 June 2024		**7,032,430**	**(5,608,636)**	**1,423,794**
Balance at 1 July 2024		7,032,430	(5,608,636)	1,423,794
Comprehensive Income				
Loss for the year		-	(152,949)	(152,949)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(152,949)	(152,949)
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	9	-	-	-
Shares issued during the year		25,000	-	25,000
Total transactions with owners and other transfers		25,000	-	25,000
Balance at 30 June 2025		**7,057,430**	**(5,761,585)**	**1,295,845**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		26,503,310	28,446,759
Payments to suppliers and employees		(25,722,909)	(27,657,959)
Lease payments not included in lease liabilities	5(b)	(91,813)	(89,084)
Interest paid on lease liabilities		(26,596)	(40,244)
Interest paid on borrowings		(102,228)	(23,672)
Income tax paid		70,658	28,508
Interest received		280	8,649
Net cash provided by operating activities	28	**630,702**	**672,957**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		(41,450)	-
Purchase of property, plant and equipment		(118,420)	(25,130)
Proceeds from sale of property, plant and equipment		11,818	30,565
Net cash provided by/(used in) investing activities		**(148,052)**	**5,435**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(387,551)	(516,774)
Proceeds of borrowings		334,076	-
Repayment of borrowings		(498,452)	(311,731)
Net cash used in financing activities		**(551,927)**	**(828,505)**
Net decrease in cash held		**(69,277)**	**(150,113)**
Cash and cash equivalents at beginning of financial year		999,063	1,149,176
Cash and cash equivalents at end of the financial year	11	**929,786**	**999,063**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Reporting entity

The financial statements cover Bendigo Telco Limited (the Group) as a consolidated entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Group is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Unit 1, 5 Innovation Court, Bendigo, Victoria. With additional places of businesses listed at note 33.

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

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* , Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2025. The directors have the power to amend and reissue the financial statements.

Material uncertainty over going concern

Basis of preparation

The financial report was prepared on a going concern basis, which assumes the Group will have sufficient resources to meet its obligations as and when they fall due for at least 12 months from the date of signing the financial report.

Financial performance and position

For the year ended 30 June 2025 the Group recorded a loss after tax totalling $158,762 (2024: $5,865,083) and had a working capital deficiency totalling $901,525 (2024: $764,215).

The working capital deficiency was primarily due to a breach of financial covenants under the Group’s loan facility with Bendigo and Adelaide Bank Ltd, resulting in non-current borrowings of $627,032 being reclassified to current liabilities as at 30 June 2025.

Excluding this reclassification, the group would have reported a working capital deficiency of $274,493 (2024: $142,308 working capital surplus).

The Group’s business loan facility requires the Group to maintain a Debt Service Coverage ratio of 1.2x, at all times, however this financial covenant was in breach as at 30 June 2025 (result 0.65x).

While the Group has continued to operate within its facilities limits, the breach gives the Bendigo and Adelaide Bank Ltd the contractual right to demand immediate repayment of $975,632.

Customer and shareholder concentration risk

For the year ended 30 June 2025, the Group derived approximately 24.1% of its revenue from a major customer, primarily from two significant contracts.

The contracts together represent 22.5% of the Group's budgeted revenue for the year ended 30 June 2026. One of the significant contracts contains a termination for convenience clause that allows the customer to terminate the contract by giving at least 120 days' notice in writing, while the other significant contract expires on 31 December 2025.

In July 2025, the customer announced the contracts would be put to a competitive tender process. The Group will submit its tender response by 28 August 2025, with the outcome expected by late September 2025. While the directors currently remain optimistic regarding renewal and support from the customer as at the date of this report, should the Group be unsuccessful in retaining these contracts, revenue and cash flows are expected to progressively decline materially over the course of the 2026 financial year as the customers business transitions to an alternate supplier.

Importantly, this major customer is also a significant shareholder of the Group and the counterparty to the Group's borrowing facilities. Accordingly, the Group's financial performance, liquidity, and governance are materially dependent on the ongoing support of the customer.

Material uncertainty

If the Group is unsuccessful in retaining the major customer contracts, or if its lender, Bendigo and Adelaide Bank Ltd, exercises its rights to demand immediate repayment of borrowings, the Group would be forced to secure alternative funding and/or implement significant restructuring initiatives to reduce expenditure, preserve cash flow and maintain the expected support and service for its existing substantial customer base.

If these initiatives are not successful, there remains material uncertainty as to the Group's ability to continue as a going concern, and in such circumstances the directors may ultimately need to consider ceasing trading or pursuing other strategic alternatives.

These conditions indicate the existence of material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding these uncertainties, at the date of signing the financial report, the directors have a reasonable expectation that:

- Bendigo and Adelaide Bank Ltd, who is also a major shareholder and customer of the Group, will continue to provide support and will not call upon repayment of borrowings, and

- The Group's tender submissions will be successful or, alternatively, that mitigating actions could be implemented.

Accordingly, the directors consider it appropriate to prepare the financial report on a going concern basis.

The financial report does therefore not include any adjustments that might be required if the Group is unable to continue as a going concern. Such adjustments could include material write-down of assets to their recoverable amounts, reclassification of liabilities, and derecognition of deferred tax assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Changes in accounting policies, standards and interpretations

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* applies to annual periods beginning on or after 1 January 2024. This amendment has been adopted by the Group and has not materially impacted the financial statements.

AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* applies to annual periods beginning on or after 1 January 2024. This amendment has been adopted by the Group and has not materially impacted the financial statements.

AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* are effective for annual periods beginning on or after 1 January 2024. This amendment has been adopted by the Group and has not materially impacted the financial statements.

AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements* applies to annual periods beginning on or after 1 January 2024. This amendment has been adopted by the Group and has not materially impacted the financial statements.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

Current and non-current classification

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

(a) Principles of Consolidation

In accordance with the *Corporations Act 2001* , these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 3.

The consolidated financial statements incorporate all of the assets and liabilities of the parent (Bendigo Telco Limited) and the wholly owned subsidiaries. A subsidiary is an entity the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of a business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(b) Income Tax and Deferred Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

(c) Trade receivables

Trade receivables are initially measured at the transaction price. Trade receivables are generally due for settlement within 14 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. Refer to note 12 for the policy for impairment of receivables.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on either a straight line or diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets which are consistent with the prior year are:

Asset Class	**Depreciation Rate (%)**
Office Furniture & Equipment:	
Advertising Collateral	7.5
Furniture & Fittings	7.5 - 37.5
Office Equipment	7.5 - 40
Office Computer Equipment	20 - 66.67
Satellite Equipment	50
Software	33 - 80
Retail/Display Equipment	11.25
Installation/Servicing Equipment	11.25 - 30
Motor Vehicles	14.29 - 25
Leasehold	2.5 - 40
Telecommunications & Infrastructure:	
Infrastructure	7.59
Data Centre	2.5 - 50
Network Computer & Infrastructure	8 - 50
Connectivity Links	7.5 - 50
Cloud	14.29 - 50

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(e) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is also performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the Statement of Financial Position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined contribution superannuation benefits.

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

(g) Revenue

Revenue under *AASB 15: Revenue from Contracts with Customers* arises from goods and services sold as part of ordinary activities. The group applies the five-step approach to customer arrangements to identify the contract for accounting purposes (i.e. to determine the amount and timing of revenue to be recognised).

Revenue from recurring Voice, Data Networks, Broadband, Managed IT Services, Hardware and Installations, Data Centre and Cloud is recognised at the time that the good or service is provided, with the exception of those items set out below. Revenue from the customer is recognised at a point in time when control of the good or service passes to the customer.

Mobile Repayment Option (MRO)
- Customer acquisition of mobile handset which is repaid by the customer over a 24 month contract.
- Revenue recognised when control of the mobile handset is passed to the customer.

Modem provided with DSL/NBN plan
- Customer may be provided with a compatible modem when signing to a DSL/NBN 24 month plan.
- Revenue recognised when control of the modem is passed to the customer.

Router provided with a VPN solution
- Customer provided with a compatible router when signing a 12, 24 or 36 month contract.
- As customer does not take ownership of the router, the related service revenue is recognised over the term of the contract.

Standard Operating Equipment with Managed IT Services solutions
- Customer provided with a compatible equipment when signing a 12 to 60 month contract.
- Revenue recognised when control of the equipment is passed to the customer.

Onboarding of Managed IT Services solutions
- Customer provided with consulting services to onboard as a managed service customer.
- Revenue recognised when onboarding of customer is complete.

Managed IT Services
- Customer receives network, application, infrastructure and security support on a regular ongoing basis.
- Revenue is recognised over time in accordance with the contract as the customer receives a benefit as the Group performs.

Sales commissions
- Sales commissions are provided as incentives for sales. These commissions vary depending on the product sold.
- Costs are capitalised and the expense recognised equally over the term of the contract.

(h) Leases (the Group as lessee)

The Group as a lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets (ie fair value less than $10,000) are recognised as an operating expenses on a straight-line basis over the term of the lease.

The Group as a Lessor

The Group is not entered into any contracts whereby the Group is considered a lessor.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets and liabilities, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at amortised cost, using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

The Group classifies trade and other payables, lease liabilities and borrowings in this category.

Financial assets

Financial assets are subsequently measured at amortised costs if both of the following criteria are met:

- the financial asset is managed solely to collect contractual cash flows, and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method less any impairment.

The Group recognise cash and cash equivalents and trade and other receivables in this category.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights 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.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments.

This approach is applicable to trade receivable or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component.

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

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill was tested annually for impairment, and is carried at cost less accumulated impairment losses, and was fully written down at 30 June 2024.

Customer Lists

Customer lists are initially recorded at the residual transaction price allocated based on relative fair value and have been assessed as having a useful life of six to ten years and carried at cost less accumulated amortisation and impairment losses. The directors are required to perform an annual assessment to identify indications of impairment and only where indications are present is the asset required to be tested for impairment.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

Projects that have not been completed by the end of the financial year have not yet been assessed for a useful life, this will be completed at the end of the project, therefore costs for these projects are recorded in the Statement of Financial Position without any amortisation. Once a useful life is established, amortisation will commence, and the projects carried at cost less accumulated amortisation and impairment losses.

(k) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Comparative Information

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different for those segments operating in other economic environments. Refer to Note 27.

(n) Share Based Payments

The Group measures the goods and services received by equity-settled share based payment transactions as an increase in equity, directly, at the fair value of the goods or services rendered, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services rendered, the Group shall measure their value, and the corresponding increase in equity, indirectly by reference to the fair value of the equity instruments granted.

If the equity instruments granted vest immediately, are unconditional and are not required to complete a specified period of service, the Group shall presume that the services rendered by the counterparty as consideration for the equity instruments have been received. On grant date, the Group recognises the services rendered in full, with a corresponding increase in equity.

If the equity instruments do not vest until the counterparties complete a specified period of service, the Group shall presume that the services to be rendered by the counterparty as consideration for those equity instruments will be received in the future, during the vesting period. The Group accounts for these services as they are rendered by the counterparty during the vesting period, with a corresponding increase to equity.

Share-based payment arrangements in which the Group received goods or services as consideration for its own equity instruments are accounted for as equity-settled share based payment transactions, regardless of how the equity instruments are obtained by the Group.

(o) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, Management believes to be reasonable under the circumstances. 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.

Key judgements – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments – Revenue from customers with contracts

Performance obligations under AASB 15

To identify performance obligations under AASB 15, Management exercises judgement by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, Management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

Key Estimate - Allowance for expected credit losses

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, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Key Estimate - Estimation of useful lives of assets

The Group 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 technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key Estimate - Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key Judgments – Leases

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Group will make.

The Group determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the Group, in addition to the following:

- If there are significant penalties to terminate (or not to extend), the Group is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

All leases have been calculated including all renewal options, as it is reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is not exercised or the group becomes obliged to not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Incremental borrowing rate under AASB 16

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- makes adjustments specific to the lease, eg term and security.

The Group's incremental borrowing rate used within lease calculations range from 0% to 6%.

Key Estimate - Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Key Estimate - Recovery of deferred tax assets

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

Key Judgement - Dependence on key customer contracts

The Group generates a significant proportion of its revenue from contracts with a single major customer. Two contracts, are currently subject to a competitive tender process. The Group will submit their tender response by 28 August 2025, with the outcome expected by late September 2025.

Management has assessed that the initiation of the tender process itself does not represent an impairment indicator for the Group's financial assets. This assessment is based on the expectation of contract renewal, which is supported by ongoing trading performance and management's view of the competitiveness of the Group's tender submission.

If the Group is unsuccessful in retaining these contracts, this would be treated as an impairment indicator for the Group's non-financial assets, including:

Item	Note	Carrying amount at 30 June 2025
Property, plant and equipment	15	$ 203,235
Right-of-use assets	16	$ 516,158
Intangible assets	17	$ 1,033,484
Deferred tax asset	23	$ 856,989

In such a scenario, the Group would be required to perform impairment testing to determine the recoverable amount of these assets, which may result in material write-downs in future reporting periods.

Given the uncertainty associated with the contract renewals, there is significant risk of material adjustment to the carrying values of these assets within the next financial year.

Key judgement - Loan covenant breaches and classification of borrowings

As at 30 June 2025, the Group was in breach of its financial covenants under it's loan agreement with Bendigo and Adelaide Bank Ltd, resulting in borrowings of $627,032 being reclassified from non-current liabilities to current liabilities. While the Group continues to operate within its overall facility limits, the breach provides Bendigo and Adelaide Bank Ltd with a contractual right to demand immediate repayment of borrowings.

Bendigo and Adelaide Bank Ltd has not provided an unconditional waiver of covenant breaches during the financial year and up to the date of this report and therefore retains the right to recall the facilities at any time.

Management has assessed that continued support from Bendigo and Adelaide Bank Ltd is reasonably expected, and accordingly, the financial report has been prepared on a going concern basis.

If Bendigo and Adelaide Bank Ltd were to exercise its right to recall borrowings, the Group would need to secure alternative financing or implement restructuring initiatives to preserve liquidity.

In such a scenario, there is a significant risk of material adjustment to the carrying value of the Group’s assets and liabilities in the next financial year.

3. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

	2025	2024
	$	$
ASSETS		
Current assets	2,786,452	3,630,720
Non-current assets	2,622,457	2,914,459
TOTAL ASSETS	5,408,909	6,545,179
LIABILITIES		
Current liabilities	3,687,977	4,394,935
Non-current liabilities	425,087	726,450
TOTAL LIABILITIES	4,113,064	5,121,385
EQUITY		
Issued Capital	7,057,430	7,032,430
Retained Earnings	(5,761,585)	(5,608,636)
TOTAL EQUITY	1,295,845	1,423,794

Statement of Profit or Loss and Other Comprehensive Income

Total profit	(152,949)	(5,865,083)
Total comprehensive income	(152,949)	(5,865,083)

Contingent liabilities
The parent entity has no contingent liabilities at 30 June 2025 (2024: Nil).

Contingent assets
The parent entity has no contingent assets as at 30 June 2025 (2024: Nil).

Guarantees
The parent entity has no guarantees as at 30 June 2025 (2024: Nil).

Capital commitments
The parent entity has capital commitments of $56,016 contracted for but not yet capitalised in the financial statements at 30 June 2025. For further information on Capital commitments refer to Note 25.

Financial support for controlled entities
The parent entity, Bendigo Telco Limited, is providing and will continue to provide financial support to its controlled entities.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group as disclosed in Note 1.

4. REVENUE AND OTHER INCOME

	2025	2024
	$	$
(a) Revenue:		
Revenue from contracts with customers	23,448,705	25,823,635
	23,448,705	25,823,635
(b) Other income:		
Gain on remeasurement of right-of-use asset, lease liability and make good	-	30,079
	-	30,079
(c) Finance income:		
Interest received	183	8,649
	183	8,649
	23,448,888	25,862,363

Refer to Note 27 for details of revenue from contracts with customers disaggregated by nature and timing of revenue recognition.

5. EXPENSES

(a) Depreciation and amortisation expense

	2025	2024
	$	$
Depreciation of property, plant and equipment:		
Office furniture & equipment	44,141	107,721
Leasehold	16,209	15,375
Telecommunications & infrastructure	44,583	273,218
	104,933	396,314
Amortisation of intangible assets:		
Customer List	120,202	364,126
Internally Generated Software	6,908	152,454
	127,110	516,580
Depreciation of right-of-use assets:		
Motor vehicles	9,973	-
Telecommunications & infrastructure	32,303	412,274
Buildings	235,547	263,903
	277,823	676,177
	509,866	1,589,071

(b) Recognition exemption

The Group has elected to exempt leases from recognition where the underlying asset is assessed as low-value or the lease term is 12 months or less.

	2025	2024
	$	$
Expenses relating to low-value leases	51,868	64,445
Expenses relating to short-term leases	39,945	24,639
	91,813	89,084

Expenses relating to leases exempt from recognition are included in occupancy and associated costs.

The Group pays for the right-to-use computer equipment. The underlying assets have been assessed as low value and exempted from recognition.

(c) Other expenses

	2025	2024
	$	$
Borrowing expenses:		
Interest paid	128,824	143,788
Other	7,077	7,878
Equipment lease expenses	51,868	64,445
	187,769	216,111
Bad debts	2,973	201,197
Impairment allowance	(29,278)	(38,632)
	(26,305)	162,565
Loss of sale on assets	97	269,083

(d) Impairment losses

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates, refer to note 2 for the key estimates applied.

	2025	2024
	$	$
Impairment of Goodwill	-	3,483,786
Impairment of Customer Lists	-	654,298
Impairment of Internally Generated Software	-	297,710
Impairment of PP&E - Telecommunications Infrastructure	-	3,250
Impairment of ROU - Telecommunications Infrastructure	-	306,600
	-	4,745,644

6. TAX EXPENSE

	2025	2024
	$	$
a. The components of tax expense comprise:		
Current tax	(97,759)	(229,614)
Deferred tax	91,946	(17,053)
	(5,813)	(246,667)
b. The prima facie tax benefit on loss from activities before income tax is reconciled to the income tax benefit as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2024: 25%)	(39,691)	(1,527,938)
Add:		
Tax effect of:		
- Movement in provision for impairment	(7,320)	(9,658)
- Movement in provision for employee benefits	(92,195)	13,800
- Movement in provision for make good	(802)	164
- Movement in provision for minimum spend shortfall	8,281	20,899
- Movement in deferred tax	91,946	(17,053)
- Capital allowances	(616)	(1,243)
- Non-deductible expenses	99,492	1,355,820
- Loss on sale of assets	-	(1,010)
	98,786	1,361,719
Less:		
Tax effect of:		
- Gain on remeasurement of right-of-use asset, lease liability and make good	-	6,283
- Right-of-use rental payments	64,908	74,165
	64,908	80,448
Carried forward losses	-	-
	-	-
Income tax benefit attributable to entity	(5,813)	(246,667)

7. KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2025.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	2025 $	2024 $
Short-term employee benefits	596,094	592,966
Post-employment benefits	63,521	59,449
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	25,000	-
	684,615	652,415

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive Chair and all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits
These amounts are the current-year's costs of superannuation contributions made during the year and post-employment life insurance benefits.

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

Termination benefits
Amounts paid to KMP during the year upon termination of employment from the Group.

Share-based payments
These amounts represent the expense related to the participation of KMP in employee share schemes as measured by the fair value of the shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

KMP Shareholdings

The number of ordinary shares in Bendigo Telco Limited held by each KMP of the Group during the financial year is as follows:

30 June 2025	Balance at beginning of year	Granted as remuneration during year	Other changes during year	Balance at end of year
Robert Hunt	513,758	-	-	513,758
Donald Erskine	939,326	-	-	939,326
Kevin Dole	-	25,000	-	25,000
Rodney Payne	22,484	-	-	22,484
Gregory Gillett	24,108	-	-	24,108
Nicole Rooke	-	-	-	-
Stephen Griffin	90,000	-	-	90,000
Steven Wright	3,238	25,000	-	28,238
	1,592,914	50,000	-	1,642,914

30 June 2024	Balance at beginning of year	Granted as remuneration during year	Other changes during year	Balance at end of year
Robert Hunt	513,758	-	-	513,758
Donald Erskine	939,326	-	-	939,326
Kevin Dole	-	-	-	-
Jonathan Selkirk	-	-	-	-
Rodney Payne	22,484	-	-	22,484
Gregory Gillett	24,108	-	-	24,108
Nicole Rooke	-	-	-	-
Stephen Griffin	90,000	-	-	90,000
Steven Wright	3,238	-	-	3,238
	1,592,914	-	-	1,592,914

8. AUDITORS' REMUNERATION

	2025 $	2024 $
Remuneration of the auditor Andrew Frewin Stewart, for:		
Auditing the financial report	79,690	109,948
Taxation services	1,970	1,045
Share registry services	8,229	9,128
	89,889	120,121

9. DIVIDENDS PAID AND PROPOSED

	2025 $	2024 $
Distributions paid:		
2024 Final fully franked ordinary dividend of 0.0 (2023: 0.0) cents per share franked at the rate of 25.0% (2023: 25.0%)	-	-
2025 Interim fully franked ordinary dividend of 0.0 (2024: 0.0) cents per share franked at the rate of 25.0% (2024: 25.0%)	-	-
	-	-
Total dividends (cents) per share for the period	-	-

10. EARNINGS PER SHARE

	2025 $	2024 $
a. Reconciliation of earnings to profit or loss		
Loss for the year	(152,949)	(5,865,083)
Earnings used in calculation of basic and diluted EPS	(152,949)	(5,865,083)
b. Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	7,758,332	7,757,784
Basic earnings per share (cents)	(1.97)	(75.60)
Diluted earnings per share (cents)	(1.97)	(75.60)

11. CASH AND CASH EQUIVALENTS

	2025 $	2024 $
Cash at bank and on hand	923,351	999,063
Short term bank deposits	6,435	-
	929,786	999,063

Cash on hand is non interest bearing.

Cash at bank earned interest rates of 0% (2024: 0%) depending on the level of funds from time to time. Cash at bank is subject to interest rate risk, as it earns interest at floating rates. In 2025 the average floating interest rates for the Group were 0.02% (2024: 0.81%).

The effective interest rate on short term bank deposits was 4.45% (2024: 2.93%); these deposits had an average maturity of 365 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

	2025 $	2024 $
Cash and cash equivalents	929,786	999,063

12. TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Trade debtors	300,528	696,145
Other receivables	1,029,465	1,202,730
Provision for impairment	(2,664)	(31,943)
	1,327,329	1,866,932

Impairment of receivables

The average credit period on the sale of goods and rendering of services is 21 days (2024: 26 days).

Ageing of trade receivables is as follows:

a. Ageing of past due	2025 $	2024 $
0 – 30 days	271,009	588,130
30 – 60 days	16,504	29,542
60 – 90 days	4,850	3,718
Over 91 days	8,165	74,755
	300,528	696,145

b. The following table shows the movement in lifetime expected credit loss that has been recognised for trade debtors.

Lifetime expected credit loss: credit impaired	2025 $	2024 $
Opening balance	31,943	70,575
Net measurement of loss allowance	(26,306)	162,565
Amounts written off as uncollectable	(2,973)	(201,197)
Amounts recovered during the year	-	-
Balance at the end of the year	2,664	31,943

In measuring the expected credit loss, a provision matrix for trade receivables is used.

Ageing	**Expected default rate**	**Gross carrying amount**	**Credit loss allowance**
Current	0.16%	271,009	433
31 - 60 days past due	1.72%	16,504	284
61 - 90 days past due	8.19%	4,850	397
90+ days past due	18.98%	8,165	1,550
Total		300,528	2,664

13. INVENTORIES

	2025 $	2024 $
Inventory	79,334	72,550
	79,334	72,550

14. CONTROLLED ENTITIES AND ASSET ACQUISITIONS

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the parent entity. The proportion of ownership interests held equals the voting rights held by the Group. The subsidiaries principal place of business is also its country of incorporation.

Name of Subsidiaries	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2025 %	2024 %	2025 %	2024 %
BCT Shepparton Pty Ltd	Shepparton, Australia	100	100	-	-
Vicwest Community Telco Ltd	Geelong & Ballarat, Australia	100	100	-	-

Subsidiaries financial statements used in preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

There are no restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

15. PROPERTY PLANT AND EQUIPMENT

	2025 $	2024 $
Office, Furniture, Equipment		
At Cost	1,432,772	1,437,906
Accumulated depreciation	(1,383,039)	(1,367,985)
	49,733	69,921
Motor Vehicles		
At Cost	81,388	153,586
Accumulated depreciation	(81,388)	(153,586)
	-	-
Leasehold		
At Cost	140,028	145,173
Accumulated depreciation	(84,052)	(76,503)
	55,976	68,670
Telecommunications & Infrastructure		
At Cost	2,142,136	2,139,254
Accumulated depreciation	(1,985,403)	(1,940,820)
Accumulated impairment losses	(59,207)	(59,207)
	97,526	139,227
Total Property, Plant & Equipment	203,235	277,818

a. Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Office, Furniture, Equipment	Motor Vehicles	Leasehold	Telecommunications & Infrastructure	TOTAL
Balance at 1 July 2023	243,762	-	84,045	616,688	944,495
Additions	15,466	-	-	9,664	25,130
Disposals	(81,586)	-	-	(210,657)	(292,243)
Depreciation	(107,721)	-	(15,375)	(273,218)	(396,314)
Impairment	-	-	-	(3,250)	(3,250)
Balance at 30 June 2024	69,921	-	68,670	139,227	277,818
Additions	32,233	-	7,150	2,882	42,265
Disposals	(8,280)	-	(3,635)	-	(11,915)
Depreciation	(44,141)	-	(16,209)	(44,583)	(104,933)
Impairment	-	-	-	-	-
Balance at 30 June 2025	49,733	-	55,976	97,526	203,235

In connection with the Group's borrowings disclosed at Note 19, Bendigo and Adelaide Bank Limited hold General Security Deeds over all present and after acquired property of the Group.

16. RIGHT-OF-USE ASSETS

	2025 $	2024 $
Motor Vehicles		
At Cost	115,140	38,985
Accumulated depreciation	(48,958)	(38,985)
	66,182	-
Leased Telecommunications & Infrastructure		
At Cost	3,787,150	3,787,150
Accumulated depreciation	(3,480,550)	(3,448,247)
Accumulated impairment losses	(306,600)	(306,600)
	-	32,303
Leased Buildings		
At Cost	1,544,535	1,491,517
Accumulated depreciation	(1,094,559)	(887,639)
	449,976	603,878
Total Right-Of-Use Assets	516,158	636,181

a. Movement in carrying amounts

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year

	Motor Vehicles	Telecommunications & Infrastructure	Buildings	TOTAL
Balance at 1 July 2023	-	758,582	1,047,263	1,805,845
Additions	-	-	-	-
Disposals	-	(7,405)	-	(7,405)
Remeasurement	-	-	(179,482)	(179,482)
Depreciation	-	(412,274)	(263,903)	(676,177)
Impairment	-	(306,600)	-	(306,600)
Balance at 30 June 2024	-	32,303	603,878	636,181
Additions	76,155	-	-	76,155
Disposals	-	-	-	-
Remeasurement	-	-	81,645	81,645
Depreciation	(9,973)	(32,303)	(235,547)	(277,823)
Impairment	-	-	-	-
Balance at 30 June 2025	66,182	-	449,976	516,158

Refer to Note 5 (d) for further details regarding the Group's impairment losses.

17. INTANGIBLES

	2025 $	2024 $
Goodwill		
Cost	5,344,282	5,344,282
Accumulated Impairment Losses	(5,344,282)	(5,344,282)
Net Carrying Value	-	-
Customer List		
Cost	4,749,371	4,749,371
Accumulated Amortisation	(2,527,221)	(2,407,019)
Accumulated Impairment Losses	(1,377,418)	(1,377,418)
Net Carrying Value	844,732	964,934
Internally Generated Software		
Cost	2,512,676	2,471,226
Accumulated Amortisation	(2,180,424)	(2,173,516)
Accumulated Impairment Losses	(297,710)	(297,710)
Net Carrying Value	34,542	-
Project Development		
Cost	889,140	889,140
Accumulated Amortisation	(660,443)	(660,443)
Accumulated Impairment Losses	(74,487)	(74,487)
Net Carrying Value	154,210	154,210
Total Intangibles	1,033,484	1,119,144

a. Movement in carrying amounts

	Goodwill	Customer List	Internally Generated Software	Project Development	TOTAL
Year ended 30 June 2024					
Balance at beginning of year	3,483,786	1,983,358	450,164	154,210	6,071,518
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Amortisation charge	-	(364,126)	(152,454)	-	(516,580)
Impairment losses	(3,483,786)	(654,298)	(297,710)	-	(4,435,794)
	-	964,934	-	154,210	1,119,144
Year ended 30 June 2025					
Balance at beginning of year	-	964,934	-	154,210	1,119,144
Additions	-	-	41,450	-	41,450
Disposals	-	-	-	-	-
Amortisation	-	(120,202)	(6,908)	-	(127,110)
Impairment losses	-	-	-	-	-
	-	844,732	34,542	154,210	1,033,484

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income. Goodwill has an indefinite useful life and is tested for impairment annually.

18. TRADE AND OTHER PAYABLES

	2025	2024
	$	$
Unsecured liabilities:		
Trade payables	496,860	474,468
Sundry payables and accrued expenses	844,183	1,065,752
	1,341,043	1,540,220
(i) Financial liabilities classified as trade and other payables		
Trade and other payables	1,341,043	1,540,220
GST payable	(100,432)	(43,133)
	1,240,611	1,497,087

19. BORROWINGS

	2025 $	2024 $
Current		
Secured by fixed and floating registered mortgage debenture		
Bank loans	975,632	1,255,123
Chattel mortgages	115,115	-
Total current borrowings	1,090,747	1,255,123
Non current		
Secured by fixed and floating registered mortgage debenture		
Chattel mortgages	-	-
Total non-current borrowings	-	-

The group has three facilities provided by the Bendigo and Adelaide Bank Limited.

1. Commercial Business (Overdraft) Facility to a maximum value of $500,000 which was not utilised at balance date. Facility secured by;
- a Registered First Company Debenture charge from Bendigo Telco Limited in its own right; and
- General Security Deeds over all present and after acquired property of Bendigo Telco Limited and its subsidiaries.

2. Chattel mortgages are secured by the underlying leased assets.

3. Business Loans, with the following conditions:

The Group entered into a $1.5m business loan facility with Bendigo & Adelaide Bank on 30 June 2023. Under the terms of the agreement, the loan structure entails both principal and interest payments over the entire 60-month term with a variable interest rate of 5.805%.

Bendigo & Adelaide Bank may conduct a review of Bendigo Telco’s facilities once every 12-month period during the term.

Half yearly accounts and Compliance Certificate showing performance against Financial Covenants, are to be provided to Bendigo & Adelaide Bank within 60 days of the end of the half year period.

Annual, audited accounts and Compliance Certificate showing performance against Financial Covenants, are to be provided to Bendigo & Adelaide Bank as soon as available and at least within 90 days of the end of the half year period.

No dividends to be declared where cash dividends paid are greater than 100% of Net Profit After Tax.

No business acquisitions of a value greater than $500,000 in cost (debt or equity funded) without the prior consent of Bendigo & Adelaide Bank. Details of all acquisitions to be advised to Bendigo & Adelaide Bank with information required to be negotiated/documented before extension of the facility.

A breach of a Financial Covenant shall be considered as an Event of Default and the Bendigo & Adelaide Bank will have the right to call default.

On a consolidated basis, Debt Service Coverage Ratio (EBITDA/finance payments in period (debt and interest) is to be measured half yearly and maintained at equal to or greater than 1.2 times.

As at 30 June 2025 the Debt Service Coverage covenant requiring a minimum of 1.20x was in breach (result 0.65x). Bendigo and Adelaide Bank Ltd has not provided an unconditional waiver of covenant breaches during the financial year and up to the date of this report and therefore retains the right to recall the facilities at any time.

Facility secured by:
- a Registered First Company Debenture charge from Bendigo Telco Limited in its own right; and
- General Security Deeds over all present and after acquired property of Bendigo Telco Limited and its subsidiaries.

20. LEASE LIABILITIES

Lease portfolio

Innovation Court, Bendigo, Vic	The lease agreement is a non-cancellable lease with an initial term of five years which commenced 01/09/2022 with a further five year extension option available. The Group is not reasonably certain to exercise the option.
Collins Street, Hobart, Tas	The lease agreement is a non-cancellable lease with an initial term of one year which commenced in 01/11/2024 with a further one year extension option available. The Group is reasonably certain to exercise the option.
Cloud Infrastructure	The lease agreement is a non-cancellable lease with a term of five years which commenced in 27/11/2020. There are no extension options.
IT Services equipment	The lease agreement is a non-cancellable lease with a term of four years which commenced in 15/06/2023. There are no extension options.
IT Services equipment	The lease agreement is a non-cancellable lease with a term of three years which commenced in 28/07/2023. There are no extension options.
IT Services equipment	The lease agreement is a non-cancellable lease with a term of three years which commenced in 04/12/2023. There are no extension options.
IT Services equipment	The lease agreement is a non-cancellable lease with a term of three years which commenced in 11/07/2024. There are no extension options.
Motor Vehicles	The lease agreement is a non-cancellable lease with a term of five years which commenced in 31/07/2024. There are no extension options.
Motor Vehicles	The lease agreement is a non-cancellable lease with a term of five years which commenced in 31/07/2024. There are no extension options.
IT Services equipment	The lease agreement is a non-cancellable lease with a term of four years which commenced in 31/10/2024. There are no extension options.

a) Current lease liabilities

	2025 $	2024 $
Motor vehicles	17,780	-
Unexpired interest	(4,383)	-
	13,397	-
Telecommunications & Infrastructure lease liabilities	136,817	291,838
Unexpired interest	(10,723)	(15,481)
	126,094	276,357
Building lease liabilities	241,890	238,518
Unexpired interest	(15,500)	(25,072)
	226,390	213,446
	365,881	489,803

b) Non-current lease liabilities

	2025 $	2024 $
Motor vehicles	55,561	-
Unexpired interest	(6,357)	-
	49,204	-
Telecommunications & Infrastructure lease liabilities	75,828	144,739
Unexpired interest	(5,002)	(6,758)
	70,826	137,981
Building lease liabilities	270,096	447,115
Unexpired interest	(6,523)	(19,509)
	263,573	427,606
	383,603	565,587

c) Maturity analysis

	2025 $	2024 $
Not later than 12 months	396,487	530,356
Between 12 months and 5 years	401,485	591,854
Greater than 5 years	-	-
Total undiscounted lease payments	797,972	1,122,210
Unexpired interest	(48,488)	(66,820)
Present value of lease liabilities	749,484	1,055,390

21. EMPLOYEE ENTITLEMENTS

	2025	2024
	$	$
Current		
Annual Leave	351,178	596,683
Long Service Leave	422,409	508,656
	773,587	1,105,339
Non Current		
Long Service Leave	27,300	64,326
	27,300	64,326

22. PROVISIONS

	2025	2024
	$	$
Current		
Lease Make Good	-	4,450
Minimum spend shortfall	116,719	-
	116,719	4,450
Non Current		
Lease Make Good	14,184	12,943
Minimum spend shortfall	-	83,594
	14,184	96,537

23. TAX ASSETS AND LIABILITIES

	2025	2024
	$	$
a. Current tax		
Income tax payable / (refundable)	(38,449)	(84,107)
b. Deferred Tax Assets		
Balance as at 30 June	853,989	848,176
Represented by tax effect of:		
- Provision for impaired debts	666	7,986
- Provision for annual leave	87,795	149,171
- Provision for long service leave	112,427	143,246
- Provision for make good	3,546	4,348
- Provision for minimum spend shortfall	29,180	20,899
- Capital allowances	19,486	20,101
- Right-of-use asset and lease liability	9,997	9,294
- Carried forward losses	590,892	493,131
	853,989	848,176

24. ISSUED CAPITAL

	No. of Shares	2025 $	2024 $
Fully paid ordinary shares at beginning of period	7,757,784	7,841,558	7,841,558
Add employee share issue	50,000	25,000	-
Less cost of equity raised - IPO	-	(284,199)	(284,199)
Less cost of equity raised - Scheme of arrangement	-	(524,929)	(524,929)
	7,807,784	7,057,430	7,032,430

25. CAPITAL COMMITMENTS

Capital Expenditure Commitments

Capital expenditure commitments contracted for:	2025 $	2024 $
IT Services equipment	56,016	309,623
	56,016	309,623
Payable:		
No later than 12 months	56,016	309,623
Between 12 months and 5 years	-	-
	56,016	309,623

26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or contingent liabilities at the date of this report to affect the financial statements.

27. OPERATING SEGMENTS

The Group has adopted AASB 8: Operating Segments from 1 July 2009 whereby segment information is presented using a 'management approach'; that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (the board that makes strategic decisions).

Bendigo Telco Limited reports and delivers services under three dedicated teams, Voice Services, Network Services and IT Services. These teams are responsible for the efficient end to end delivery of their product suites.

Major customers

During the year ended 30 June 2025 approximately 24.1% (2024: 34.3%) of Bendigo Telco's external revenue was derived from sales to one customer (2024: one customer).

Revenue from the major customer attributed to each operating segment;

Voice Services	1,595,022
Network Services	3,596,309
IT Services	469,889
Total	5,661,220

Revenue by division and product set for the period ending 30 June 2025

	Voice Services	Network Services	IT Services	Total
	$	$	$	$
Revenue from sales of services recognised over time				
Fixed Voice Services	1,126,507	-	-	1,126,507
SIP, VOIP, NBN Voice Services	3,095,300	-	-	3,095,300
VPN Products	-	6,941,306	-	6,941,306
Mobile Phone Services	2,098,958	-	-	2,098,958
E-Solutions Products	-	-	77,363	77,363
NBN Internet Services	-	3,366,246	-	3,366,246
Managed IT Services	-	-	1,625,975	1,625,975
Consulting Services	-	-	304,251	304,251
Hardware and Installations	-	-	-	-
Data Centre and MAN	-	-	124,546	124,546
Cloud Infrastructure Services	-	-	2,965,255	2,965,255
	6,320,765	10,307,552	5,097,390	21,725,707
Revenue from sale of goods recognised at point in time				
Mobile Phone Services	63,927	-	-	63,927
NBN Internet Services	-	1,780	-	1,780
Managed IT Services Equipment	-	-	57,108	57,108
Managed IT Services Onboarding	-	-	39,900	39,900
Hardware and Installations	-	-	1,560,283	1,560,283
	63,927	1,780	1,657,291	1,722,998
Finance Income				
Interest received	61	61	61	183
	61	61	61	183
Total revenue from contracts with customers	6,384,753	10,309,393	6,754,742	23,448,888
Interest expense				(128,824)
Depreciation and amortisation				(509,866)
Other expenses				(22,968,960)
Loss before income tax expense				(158,762)

Revenue by division and product set for the period ending 30 June 2024

	Voice Services	Network Services	IT Services	Total
	$	$	$	$
Revenue from sales of services recognised over time				
Fixed Voice Services	1,331,466	-	-	1,331,466
SIP, VOIP, NBN Voice Services	3,586,661	-	-	3,586,661
VPN Products	-	7,396,656	-	7,396,656
Mobile Phone Services	2,088,301	-	-	2,088,301
E-Solutions Products	-	-	87,213	87,213
DSL Internet Services	-	15,299	-	15,299
NBN Internet Services	-	3,367,815	-	3,367,815
Managed IT Services	-	-	1,801,586	1,801,586
Consulting Services	-	-	575,039	575,039
Hardware and Installations	-	-	-	-
Data Centre and MAN	-	-	227,476	227,476
Cloud Infrastructure Services	-	-	2,824,216	2,824,216
	7,006,428	10,779,770	5,515,530	23,301,728
Revenue from sale of goods recognised at point in time				
Mobile Phone Services	63,054	-	-	63,054
NBN Internet Services	-	1,885	-	1,885
Managed IT Services Equipment	-	-	266,833	266,833
Managed IT Services Onboarding	-	-	309,955	309,955
Hardware and Installations	-	-	1,880,180	1,880,180
	63,054	1,885	2,456,968	2,521,907
Other Income				
Gain on remeasurement of right -of-use asset	10,027	10,026	10,026	30,079
	10,027	10,026	10,026	30,079
Finance Income				
Interest received	2,883	2,883	2,883	8,649
	2,883	2,883	2,883	8,649
Total revenue from contracts with customers	7,082,392	10,794,564	7,985,407	25,862,363
Interest expense				(143,788)
Depreciation and amortisation				(1,589,071)
Impairment losses				(4,745,644)
Other expenses				(25,495,610)
Loss before income tax expense				(6,111,750)

Assets & Liabilities

No information is disclosed for segment assets and liabilities as no measure of segment assets and liabilities is regularly provided to the chief operating decision maker.

28. CASH FLOW INFORMATION

	2025	2024
	$	$
Reconciliation of net cash provided by operating activities with		
Loss after income tax	(152,949)	(5,865,083)
Non-cash flows in profit/(loss):		
Depreciation and amortisation	509,866	1,589,071
Impairment loss on goodwill, intangibles, PP&E	-	4,745,644
Loss on sale of assets	97	269,083
Gain on remeasurement of lease liability	-	(30,079)
Change in assets and liabilities		
(Increase)/decrease in assets and Increase/(decrease) in liabilities		
Receivables	539,603	(159,019)
Prepayments	214,063	222,314
Inventories	(6,784)	84,260
Deferred tax asset	(5,813)	(246,667)
Accounts payable	(199,177)	(104,524)
Provisions	(338,862)	139,449
Taxation	45,658	28,508
Issued capital	25,000	-
Net cash flow from operating activities	630,702	672,957

29. EVENTS AFTER THE REPORTING PERIOD

In July 2025, subsequent to year end, the Group was notified by its major customer that two of its significant contracts, which together represent approximately 24.1% of the Group's revenue, will be subject to a competitive tender process.

One of these contracts contains a termination for convenience clause that allows the major customer to terminate the contract by giving at least 120 days' notice in writing, while the other contract expires on 31 December 2025.

The Group will submit its tender response by 28 August 2025, with the outcome expected to be known by late September 2025.

If the Group is unsuccessful in retaining these contracts, revenue and cash flows are expected to decline materially during the year ending 30 June 2026, which may require the Group to obtain alternative funding or implement restructuring initiatives to preserve liquidity.

Further information regarding the potential implications of this matter on the Group's ability to continue as a going concern is provided in Note 1.

As at 30 June 2025, the Group was in breach of its financial covenants under its loan agreement with Bendigo and Adelaide Bank Ltd, resulting in borrowings of $ $627,032 being reclassified from non-current liabilities to current liabilities. Subsequent to year end, but prior to the date of this report, no waiver or other correspondence has been received from the lender regarding this breach.

Since the end of the financial year the Board of Directors resolved to not declare a final dividend.

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

30. RETIREMENT BENEFITS AND SUPERANNUATION PAYMENTS

	2025 $	2024 $
Amounts of a prescribed benefit given during the year by the Group or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office.	Nil	Nil

31. RELATED PARTY DISCLOSURES

The Group enters into transactions with related entities including revenue received and services and supplies procured. These revenue and expense items are included in the Statement of Profit or Loss and Other Comprehensive Income. Amounts owing to and from related entities are included in the Statement of Financial Position.

The transactions are commercial and conducted on the same terms as other third party transactions.

A summary of material transactions excluding dividends between the Group and related parties during the period were;

	2025 $	2024 $
Network, Voice and Cloud telecommunication services provided to related entities	5,661,220	8,881,319
Supplies and services purchased from related entities	184,198	227,908
Amounts owing to / (from) related entities	1,073,771	1,841,354
Other non significant related party transactions include;		
Rent & storage expense	-	2,689

The names of directors who have held office during the financial year are:

Robert Hunt	Gregory Gillett
Don Erskine	Nicole Rooke
Kevin Dole	Stephen Griffin
Rodney Payne	

No director or related entity has entered in to a material contract with the group.

Directors Shareholdings	2025 No.	2024 No.
Robert Hunt	513,758	513,758
Donald Erskine	939,326	939,326
Kevin Dole	25,000	-
Rodney Payne	22,484	22,484
Gregory Gillett	24,108	24,108
Nicole Rooke	-	-
Stephen Griffin	90,000	90,000

32. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with bank, short-term investments, accounts receivable and payable and leases. The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of the telecommunications market and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out by the Board of Directors and senior management.

(i) Market Risk – the Group has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price Risk – the Group is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Group is not exposed to commodity price risk.

(iii) Credit Risk – the Group has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history and credit rating.

(iv) Liquidity Risk – the Group maintains prudent liquidity management by maintaining sufficient cash and the availability of funding from credit facilities.

(v) Cash flow and fair value interest rate risk – interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. The Group has mitigated risk on long-term interest-bearing liabilities by negotiating fixed rate contracts.

The accounting policies including the terms and conditions of each class of financial asset and financial liability both recognised and unrecognised at balance date, are as follows:

Recognised	**Accounting Policies**	**Terms and Conditions**
Financial assets		
Cash or Cash Equivalents and Short-term Deposits	Cash or cash equivalents and short-term deposits are stated at cost and any interest is taken up as income on an accrual basis.	These items are cash or are readily convertible to cash.
Accounts Receivable – Debtors	As per AASB 9, an expected credit loss model is applied. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.	Trade receivables are generally due for settlement within 14 days.
Financial liabilities		
Creditors and Accruals	Liabilities are recognised for amounts to be paid in the future for goods and services.	Trade creditors are normally settled on 30 day terms, or in accordance with agreement with individual creditors.
Borrowings	Borrowings measured using the effective interest rate method.	Secured by fixed and floating registered mortgage debenture.
Lease liabilities	Lease liabilities are measured at the present value of the lease payments still to be paid.	Remaining lease terms reasonably expected to be exercised.

(b) Financial Instruments

Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Notes	Fixed Interest Rate Maturing Weighted Average Effective		Floating Interest Rate	
		2025	2024	2025	2024
		%	%	$	$
Financial Assets					
Cash or Cash Equivalents	11	-	-	923,351	999,063
Short-term Deposits	11	4.45	2.93	6,435	-
Accounts Receivable - Debtors	12	-	-	-	-
Total Financial Assets		4.45	2.93	929,786	999,063
Financial Liabilities					
Creditors & Accruals	18(i)	-	-	-	-
Borrowings	19	5.81	6.34	-	-
Lease Liabilities	20	5.47	2.21	-	-
Total Financial Liabilities		11.28	8.55	-	-

	Notes	Within 1 Year		1 to 5 years	
		2025	2024	2025	2024
		$	$	$	$
Financial Assets					
Cash or Cash Equivalents	11	-	-	-	-
Short-term Deposits	11	-	-	-	-
Accounts Receivable - Debtors	12	-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					
Creditors & Accruals	18(i)	-	-	-	-
Borrowings	19	1,090,747	1,255,123	-	-
Lease Liabilities	20	396,487	530,356	401,485	591,854
Total Financial Liabilities		1,487,234	1,785,479	401,485	591,854

	Notes	Over 5 years		Non Interest Bearing	
		2025	2024	2025	2024
		$	$	$	$
Financial Assets					
Cash or Cash Equivalents	11	-	-	-	-
Short-term Deposits	11	-	-	-	-
Accounts Receivable - Debtors	12	-	-	1,327,329	1,866,932
Total Financial Assets		-	-	1,327,329	1,866,932
Financial Liabilities					
Creditors & Accruals	18(i)	-	-	1,240,611	1,497,087
Borrowings	19	-	-	-	-
Lease Liabilities	20	-	-	-	-
Total Financial Liabilities		-	-	1,240,611	1,497,087

	Notes	Total 2025 $	Total 2024 $
Financial Assets			
Cash or Cash Equivalents	11	923,351	999,063
Short-term Deposits	11	6,435	-
Accounts Receivable - Debtors	12	1,327,329	1,866,932
Total Financial Assets		2,257,115	2,865,995
Financial Liabilities			
Creditors & Accruals	18(i)	1,240,611	1,497,087
Borrowings	19	1,090,747	1,255,123
Lease Liabilities	20	749,484	1,055,390
Total Financial Liabilities		3,080,842	3,807,600

Creditors and accruals are expected to be paid as follows:	2025 $	2024 $
Less than 6 months	1,240,611	1,497,087
6 months to 1 year	-	-
1 – 5 years	-	-
Over 5 years	-	-
	1,240,611	1,497,087

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the Group which have been recognised on the Statement of Financial Position is the carrying amount net of any provisions for impairment.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history and credit rating.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Notes	Carrying Amount 2025 $	Carrying Amount 2024 $
Cash or Cash Equivalents	11	929,786	999,063
Trade & Other Receivables	12	1,327,329	1,866,932
		2,257,115	2,865,995

The Group's entire exposure to credit risk for Trade Receivables was attributable to customers located in Australia.

(d) Liquidity Risk

The following are the contractual maturities of financial liabilities for the Group:

		Carrying Amount $	Contracted Cash Flows $	1 year or less $	1-5 years $	Over 5 years $
30 June 2025	Notes					
Financial Liabilities						
Trade and other payables	18(i)	1,240,611	1,240,611	1,240,611	-	-
Borrowings	19	1,090,747	1,090,747	1,090,747	-	-
Lease Liabilities	20	749,484	797,972	396,487	401,485	-
Total financial liabilities		3,080,842	3,129,330	2,727,845	401,485	-

Lease Liabilities have been entered into subsequent to balance date.

(e) Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

		Total Carrying Amount per Statement of Financial Position		Aggregate Net Fair Values	
		2025	2024	2025	2024
Financial Instruments	Notes	$	$	$	$
Financial assets					
Cash or cash equivalents	11	923,351	999,063	923,351	999,063
Short-term bank deposits	11	6,435	-	6,435	-
Accounts receivable - debtors	12	1,327,329	1,866,932	1,327,329	1,866,932
Total financial assets		2,257,115	2,865,995	2,257,115	2,865,995
Financial liabilities					
Creditors and accruals	18(i)	1,240,611	1,497,087	1,240,611	1,497,087
Borrowings	19	1,090,747	1,255,123	1,090,747	1,255,123
Lease Liabilities	20	749,484	1,055,390	749,484	1,055,390
Total financial liabilities		3,080,842	3,807,600	3,080,842	3,807,600

The following methods and assumptions are used to determine the net fair values of Financial Assets and Financial Liabilities:

Recognised Financial Instruments

Cash or Cash Equivalents and Short-term Deposits	These financial instruments have a short term to maturity. Accordingly it is considered that carrying amounts reflect fair values.
Accounts Receivable – Debtors	Carrying amounts reflect fair values.
Creditors and Accruals	Carrying amounts reflect fair values.
Borrowings	Carrying amounts reflect fair values.
Lease liabilities	Carrying amounts reflect fair values.

(f) Sensitivity Analysis

Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis

At 30 June 2025, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2025 $	2024 $
Change in profit		
Increase in interest rate by 2%	19,288	21,482
Decrease in interest rate by 2%	(19,288)	(21,482)
Change in equity		
Increase in interest rate by 2%	19,288	21,482
Decrease in interest rate by 2%	(19,288)	(21,482)

33. REGISTERED OFFICE/PRINCIPAL PLACES OF BUSINESS

Registered Office
5 Innovation Court, Kennington, Victoria.

Principal Places of Business
5 Innovation Court, Kennington, Victoria.
Floor 5, 86 Collins Street, Hobart, Tasmania.
Shop 34 Bendigo Bank Central, Bath Lane, Bendigo, Victoria

BENDIGO TELCO LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Entity name	**Entity type**	**Place formed / Country of incorporation**	**Ownership Interest %**	**Tax residency**
BCT Shepparton Pty Ltd	Body corporate	Australia	100%	Australia *
Vicwest Community Telco Ltd	Body corporate	Australia	100%	Australia *

* Bendigo Telco Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bendigo Telco Limited (the Group), the directors of the group declare that:

1. the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* , and:

   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with the International Financial Reporting Standards (IFRS); and
   b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated group;

2. in the director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable and continue to adopt the going concern basis of accounting as detailed in note 1;

3. the consolidated entity disclosure statement on page 64 is true and correct, and

4. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer; and

5. the audited remuneration report set out in the Directors Report (as part of the remuneration report), for the year ended 30 June 2025, comply with section 300A of the *Corporations Act 2001* and the *Corporations Regulation 2001* .

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors

Robert Hunt	Kevin Dole
Chairman	Director

Signed on 27 August 2025

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 Bendigo Telco Ltd and Controlled Entities

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial report of Bendigo Telco Ltd (the company) and its controlled entities (collectively the Group) is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group'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 *Corporations Regulations 2001*.

What we have audited

We have audited the consolidated financial report of the Group, which comprises the:

- Consolidated statement of financial position as at 30 June 2025
- Consolidated statement of profit or loss and other comprehensive income for the year then ended
- Consolidated statement of changes in equity for the year then ended
- Consolidated statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policy information, and the
- Directors' declaration of the Group.

Material uncertainty related to going concern

Without modifying our opinion, we draw attention to the Going Concern disclosure in Note 1 of the consolidated financial report, which discloses the circumstances relating to the Groups dependence on a single counterparty that is simultaneously its major customer, a significant shareholder and the lender under the Group's primary borrowing facilities. The Group derives a substantive proportion of its revenue from two significant contracts with the major customer, both of which are currently subject to a competitive tender process. The same counterparty is also the Group's lender, and breaches of the loan covenants at balance date resulted in $627,032 of non-current borrowings being reclassified as current liabilities.

As set out in Note 1, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Group's financial position and cash flows would be significantly adversely affected if it (1) the Group is unsuccessful in retaining the two significant contracts, or (2) the lender exercises its right to demand repayment of borrowings, or (3) both circumstances occur.

If, in any of these scenarios, the Group's mitigating actions are not successful, the directors may have no realistic alternative but to cease trading. Our opinion is not modified in respect of this matter.

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

Basis for opinion

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

We are independent of the Group 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 consolidated financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant in our audit of the consolidated financial report of the current year. These matters were addressed in the context of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial report', including in relation to these matters. Accordingly, our audit included performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial report.

Key audit matter	How our audit addressed the matter
Going concern	
As disclosed in Note 1, the Group recorded a loss after tax of $158,762 and had a working capital deficiency of $901,525 for the year ended 30 June 2025. The working capital deficiency was primarily a result of borrowings being classified as current liabilities, due to breaches in financial covenants. While the Group has continued to operate within its facilities limits, the breach gives the Bendigo & Adelaide Bank the contractual right to demand immediate payment. A significant portion of the Group's revenue (approximately 24.1%) is derived from one major customer across two contracts that are currently	Our audit procedures to address the risk of material misstatement relating to going concern included: ▪ Reviewing the Group's budget to actual performance over the past three years, noting revenue has trended below budget by an average of 4.8%, as have cost of goods sold (COGS) by an average of 3.7%. ▪ Evaluating trends in revenue, COGS and profit/(loss) over the last seven years, noting declines in all measures during this time, with the decline in revenue outpacing the decline in COGS. ▪ Assessing the Group's forecasts and applying sensitivity analysis to key assumptions (including

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td>subject to a competitive tender process. One contract contains a termination-for-convenience clause enabling the customer to terminate with 120 days' notice and the other expires on 31 December 2025.

These events and conditions give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore warranted significant auditor attention.</td><td>revenue and COGS) including sensitivity analysis based on historical variances to actuals.
▪ Evaluating compliance with banking covenants and reviewing correspondence with the existing lender, noting that financial covenants were breached during the period and that, whilst the lender has not demanded repayment, it retains the right to do so.
▪ Holding discussions with management and inspecting documentation in relation to the tender process, noting that the outcome is not known at the date of this audit report, which gives rise to material uncertainty on the basis the Group may not have sufficient cash reserves to continue as a going concern, although the timing of any potential shortfall is uncertain.
▪ Considering the adequacy of the Group's going concern disclosures in Note 1 with reference to the requirements of AASB 101 Presentation of Financial Statements and ASA 570 Going Concern.
▪
The audit evidence obtained supports the appropriateness of the directors' use of the going concern basis of preparation, on the assumption that the Group will continue to have access to its banking facilities notwithstanding the covenant breach, and in light of the significant uncertainty surrounding the outcome of the tender process which, if unsuccessful, could ultimately result in the Group's inability to continue as a going concern, in which circumstance the directors may need to consider ceasing trading or pursuing other strategic alternatives.</td></tr>
<tr><td colspan="2">Revenue recognition</td></tr>
<tr><td>The Group exercises significant judgement relating to revenue recognition in the following areas:

▪ accounting for new products and plans including multiple element arrangements
▪ accounting for large and complex service contracts.

The accuracy and completeness of amounts recorded as revenue is an inherent industry risk due to the complexity of billing systems, the complexity of products and services, and the combination of products sold and price changes in the year.

The complexity of the billing systems also requires some reliance on the Group's IT systems with automated processes and controls over the capturing, valuing and recording of transactions.</td><td>Our audit procedures to address the risk of material misstatement relating to revenue recognition included:

1. Evaluating the design and effectiveness of key controls over the capture and measurement of revenue transactions, including evaluating the general controls over the relevant IT systems.
2. Detailed analysis of revenue based on expectations derived from our industry knowledge and following up variances from our expectations.
3. Detailed substantive testing of significant revenue balances.

We evaluated the Group's accounting policies and disclosures about its revenue recognition included in the consolidated financial statements for compliance with Australian Accounting Standards (AASBs).</td></tr>
</table>

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

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Recoverability of the deferred tax asset</td></tr>
<tr><td>The Group recognises a deferred tax asset (“DTA”) in respect of carried forward tax losses and deductible temporary differences. As at 30 June 2025, the DTA is material to the consolidated financial report. The recoverability of the DTA is dependent on the Group generating sufficient future taxable profits to utilise the tax losses before they expire.

Judgement is required by management in forecasting future taxable profits and assessing whether it is probable that the DTA will be realised. This requires the preparation of detailed budgets and forecasts which are inherently uncertain. We note that a material uncertainty exists in respect of going concern, as disclosed in Note 1, which increases the estimation uncertainty associated with the recoverability of the DTA.

Given the level of judgement involved and the DTA’s materiality to the consolidated financial report, this was a key area of focus in our audit.</td><td>We reviewed management’s taxable income forecasts to assess the probability of generating sufficient future profits to support recognition of the deferred tax asset. We note this was based on the FY26 budget and estimated forecasts for FY27 – FY30.

We reviewed prior budget performance and further applied sensitivity analysis to management’s estimations.

Based on the procedures performed we noted no material audit issues in relation to the deferred tax asset. We do however note the Group’s ability to generate sufficient taxable profits in future years is dependent on the outcome of the current competitive tender process with Bendigo and Adelaide Bank Limited. Should Bendigo Telco not be successful in securing these contracts, this would represent an indicator of impairment under AASB 112 Income Taxes and AASB 136 Impairment of Assets. In such circumstances, management would be required to perform impairment testing to determined the recoverable amount of the deferred tax asset, which may result in material write-downs in future reporting periods.

We further confirmed the accuracy of the deferred tax asset calculations and noted no issues.</td></tr>
<tr><td colspan="2">Reliance on automated processes and controls</td></tr>
<tr><td>A significant part of the Group’s financial processes are heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. This is a key part of our audit because of the:

▪ complex IT environment supporting diverse business processes
▪ mix of manual and automated controls
▪ multiple internal and outsourced support arrangements
▪ complexity of the billing systems which result in revenue being recognised.</td><td>Our audit procedures to address the risk of material misstatement relating to reliance on automated processes and controls included:

1. Evaluating the design and effectiveness of key controls over the capture, valuing and measurement of transactions, including evaluating the general controls over the relevant IT systems.
2. Detailed analysis of revenue and expenditure based on expectations derived from our industry knowledge and following up variances from our expectations.
3. Detailed substantive testing of significant revenue and expenditure balances.</td></tr>
</table>

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

Information other than the consolidated financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the consolidated financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the consolidated financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of the Directors for the consolidated financial report

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

In preparing the consolidated financial report, the directors are responsible for assessing the Group'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 Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the remuneration report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

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

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 27th day of August 2025

Jessica Ritchie
Lead Auditor

SHAREHOLDER INFORMATION

The shareholder information set out below was current as at 25 July 2025.

Distribution of Shareholders

Category	Number of Holders
1 - 1,000	130
1,001 - 5,000	220
5,001 - 10,000	63
10,001 - 100,000	58
100,001 and over	6
	477

The number of shareholdings held in less than marketable parcels is 62.

Top 10 Shareholders

Name of Shareholder	Number of Shares	% of Total Shares
Bendigo and Adelaide Bank	2,386,747	30.8%
Erskine Investments Pty Ltd	939,326	12.1%
Hunters Ridge Pty Ltd	513,758	6.6%
Ron Poyser Administrators Pty Ltd	438,400	5.7%
P.J. & D.A. Eddy Pty Ltd	218,751	2.8%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	160,000	2.1%
MGR Property Pty Ltd	90,000	1.2%
Latrobe University	84,000	1.1%
Community Telco Syndicate	78,000	1.0%
Indicrock Superannuation Pty Ltd	70,058	0.9%
Total shares held by top 10 holders	4,979,040	64.18%