

Annual Report 2025

Balnarring & District
Community Services Limited

Community Bank
Balnarring & District
ABN 84 127 842 059



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Chair's report

For year ending 30 June 2025

It is with much pleasure and pride that I present the 17th Annual Report of Balnarring & District Community Services Limited.

As a local community company, your Board has successfully operated our Community Bank since 2008 to provide excellent banking and financial services for our communities under a franchise agreement with Bendigo Bank. Our 'profit-with-purpose' philosophy then sees a significant proportion of our profits returned directly to the local communities that have generated them, to support local projects and programs.,

I am pleased to report that the company finished the financial year in a sound financial position, with profit before tax of \$104,360.

As a shareholder of Balnarring & District Community Services Limited, you should continue to be proud of what your community company has achieved. Share price trading levels have infrequently seen a rise above the original issued value of \$1 over the years. However, this has changed in recent years, reflecting the value of our business to both shareholders and the community and demonstrating that what we do and how well we do it, is now understood and valued much more broadly across the community.

You remain the foundation of our presence within our communities and your ongoing support strengthens our cause, so I would encourage you to share our story with others whenever you can. We were pleased to pay shareholders a dividend of 14 cents per share fully franked in September 2024.

As the keystone to our success, our Branch Manager Mark Butler and his team of Delwyn, Glenys, Amelia and Teah, provide professional and high-quality assistance and advice to our many retail and business customers. We know that their personalised and caring approach is much-valued and we continue to be extremely proud of their work and commitment to our customers and communities.

Melinda Symes, our well-known and highly-regarded Community Engagement and Administration Support Officer and our hard-working Company Secretary Ken Brown are also vital members of our staff team and I thank them for their commitment to our company.

In December 2024, the company joined 40 other Community Bank company community enterprises and gained Social Enterprise certification. This further highlights our commitment to making a positive impact within our communities by being a 'business for good' and continuing to strengthen those communities with which we are involved. We will take every opportunity to explore partnership and business opportunities across the social enterprise network.

Social enterprise and 'business for good' is understood and embraced by the younger generations that we want as our next customers, staff members, shareholders, and directors. Their values determine their behaviours and many actively seek to do business with companies making a positive difference for people, place and planet.

To facilitate a renewed, proactive approach to community investment and impact, the Board and our staff team undertook two valuable workshops with staff of the Community Enterprise Foundation during October 2024 and January 2025, to develop our Community Impact Strategy.

The resulting strategy incorporates five Impact Pillars - Community Connections and Resilience; Social Inclusion, Environment, Education and Housing and Homelessness.

This will enable us to further explain to our communities what we do and how we can work together to increase community prosperity, by remaining adaptable to do what is best for our communities in the short term. We will also continue to address broader long-term community projects which meet our intended social and business growth outcomes as they relate to our 5 Impact Pillars, which will also guide future annual contributions to community organisations and programs.

The vast majority of projects and programs we proudly support already align with these pillars:

Community Connections and Resilience: tennis, football, netball, basketball, cricket, yacht and pétanque clubs in Crib Point, Somers, Balnarring, Shoreham and Flinders; CFA brigades in Bittern, Somers, Balnarring, Shoreham and Flinders; Flinders Fringe Festival; Womindjeka Festival; St John's Recitals.

Social Inclusion: Community Café Corner drop-in with St Mark's Balnarring; Balnarring Community Child Care; RDAV Mornington Carriage Driving Centre; Disabled Surfers Association; Point Leo Surf Life Saving Club.

Environment: Merricks Coolart Catchment Landcare group Biolink1 revegetation project; Mornington Peninsula Koala Conservation Biolink revegetation projects; Tyabb Koala Hospital.

Education: Western Port Secondary College; Somers, Balnarring and St Joseph's Primary Schools; Balnarring and Flinders Pre-schools.

Housing and Homelessness: Western Port Community Support Housing and Homelessness Program; Saltbush Balnarring.

Chair's report (continued)

Every one of the projects and programs in which we invest is making a difference in their communities and builds on our mission to be a substantial, sustainable community-built business that contributes to community prosperity. The ever-growing support for our Community Bank evident across the many communities from Crib Point and Bittern, down to Flinders and across to Merricks North reinforces our purpose and our resolve to do even better.

A massive milestone of a total of \$4 million invested across our communities since 2008, was announced on July 10 2025, at a packed Community Group Information Night to introduce our Community Impact Pillars and our new Community Impact Portal, through which all future applications for community investments will be made.

Over the 2024/2025 financial year, we invested \$451,303 in our communities as sponsorships, grants, donations, plus funds invested for future community projects (see Note 7 in this report) and a further \$117,600 as dividend payments to our shareholders (see Note 21 in this report). This then saw a total return to community by year's end of \$568,903. All this because our many wonderful customers choose to bank with us, as they know that their banking helps support the clubs, projects and organisations at the heart of their communities.

Our strong partnership with Bendigo Bank continues and we thank their staff, particularly our former and current Regional Managers Peter Rice and Robert Tracey, for their support, advice and assistance over the past year.

I also acknowledge the contribution of my Board of Directors to the success of our Community Bank. Like the hard-working and passionate volunteers with whom we partner through our many community groups, all Directors of Balnarring & District Community Services Limited volunteer their time, considerable expertise and community knowledge to ensure the success of our company and I thank them for their ongoing commitment. We know it makes a difference when they are out and about in our communities advocating for our bank.

In April 2024 we most reluctantly bid farewell to director Michael Treadwell as he was moving interstate for work, but we then reappointed Michael to the Board with much delight in January 2025.

In March 2025, Emma Connell was appointed to the Board. We welcomed Emma and her expertise and experience across a wide range of sectors. As a long-term resident of Somers, Emma brings much valuable local knowledge to our work.

Shareholders, customers and our community, can be assured that the Board of Balnarring & District Community Services Limited will ensure long-term, quality performance and sustainability for our company with a commitment to high standards across vital elements of governance, including legal and corporate regulatory compliance.

We encourage you to be part of our social enterprise by continuing to be, or becoming, a customer of Community Bank Balnarring & District. You will receive exceptional banking service, which then creates a positive impact in your community. You may also be part of what we do through your involvement with one of the many valuable groups and organisations with which we partner, so we thank you for your contribution. Together we will continue to create change and meaningful social impact.



Heather Goddard
Chair

Branch manager's report

For year ending 30 June 2025

I am pleased to present my report to the shareholders for the financial year ended 30 June 2025.

Over the year Community Bank Balnarring & District managed to increase our footings by \$11.8m. Our lending book increased by \$927k to \$57.3m and deposits increased by \$12.3m to \$158.6m. In a challenging and competitive market, our deposit growth exceeded expectations by reaching 123% of target. While lending growth was initially tracking well at 128%, just a month before year end it ultimately closed at 31%, falling short of budget. Total footings increased from \$204.7m to \$216.5m from the previous year.

Pleasingly, the result saw a net profit before tax of \$104,360.

We now have 6,419 active accounts from 4,060 customers, an increase of 470 accounts and 133 customers from the previous year. We're not only expanding our customer base, but also strengthening relationships with existing customers, as reflected in the increase in products per customer, rising from 2.52 to 2.62 during the 2025 financial year. At the same time, support for the Bendigo Bank brand and our reputation continues to grow within the local community.

The continued success and growth of Community Bank Balnarring & District relies on our ability to deepen relationships with our existing customers. We encourage our customers to become advocates, sharing the benefits of banking local and supporting our community branch with family, friends and colleagues. This grassroots advocacy is already being championed by the not-for-profit groups we've proudly partnered with since day one. With their support and the backing of our loyal customers, I'm confident we can grow our business and strengthen our position as the bank of choice for our local community.

There were a number of staff changes throughout the year. In November, Heidi Dart resigned from her role as Customer Relationship Manager and was replaced by Kristy McRae in December. Following this, Delwyn Rayner concluded her casual employment with us to take up a permanent position at another Community Bank branch.

In April, Customer Service Officer Kelly Smith also moved on, accepting a role with another Community Bank offering broader career development opportunities across multiple branches. Her departure opened the door for our youngest team member, Teah Dean, who joined us as a Customer Service Officer in early June.

Meanwhile, after four and a half months in her role, Kristy McRae was promoted to Branch Manager at another Community Bank branch. This created an opportunity for Delwyn to return. This time as our permanent part time Customer Relationship Manager in May.

As of the end of June, the team at Community Bank Balnarring & District consists of myself, Delwyn Rayner (Customer Relationship Manager), Glenys Wandmaker (Customer Relationship Officer), Amelia Blamey (Customer Relationship Officer), Teah Dean (Customer Service Officer) and Melinda Symes (Community Engagement Officer).

I must also acknowledge the valuable contribution of our Board of Directors to the continued success of our Community Bank. The directors of Balnarring & District Community Services Limited generously volunteer their time and expertise to support the growth and sustainability of our company in every aspect. I sincerely thank them for their ongoing commitment and service.

Last, but certainly not least, I extend my heartfelt thanks to our customers and shareholders for their continued support of Community Bank Balnarring & District branch both this year and in years past. Your support has been instrumental in achieving the outcomes we've reached so far.

I encourage you to keep advocating for our branch by sharing the benefits of banking local with your family, friends and networks. It's through your use of Bendigo Bank products that we're able to grow our business, generate profits and reinvest more into our community through sponsorships, grants, donations and shareholder dividends. Your support truly makes a difference.

We're looking ahead with optimism and hope to see you in the branch in the near future.

Yours sincerely



Mark Butler
Branch Manager

Message from Bendigo and Adelaide Bank

For year ending 30 June 2025

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

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

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

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

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

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

Warmest regards,



Justine Minne
Head of Community Banking.

Community Bank National Council Annual Report



Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The *2024 - 2026 Community Bank National Council Strategic Plan* has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Dividend payment history

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level*	Date Paid
2023/2024	\$0.14	Franked	09/09/2024
2022/2023	\$0.15	Franked	08/09/2023
2021/2022	\$0.07	Franked	29/08/2022
2020/2021	\$0.10	Franked	30/08/2021
2019/2020	\$0.10	Franked	31/08/2020
2018/2019	\$0.08	Franked	30/08/2019
2017/2018	\$0.08	Franked	31/08/2018
2016/2017	\$0.07	Unfranked	18/08/2017
2015/2016	\$0.06	Unfranked	30/08/2016
2014/2015	\$0.055	Unfranked	30/10/2015
2013/2014	\$0.05	Unfranked	13/10/2014
2012/2013	\$0.03	Unfranked	15/11/2013
2011/2012	\$0.02	Unfranked	15/6/2013

Community investments

Community Bank Balnarring & District community groups and organisations supported to 30 June 2025

- | | | | |
|-----|---|-----|---|
| 1. | 1st Balnarring Scouts | 47. | Friends of Coolart |
| 2. | Radio 3RPP | 48. | Friends of Flinders Coastline |
| 3. | Balnarring ANZAC Organisation | 49. | Koala and Wildlife Hospital |
| 4. | Balnarring Bowls & Social Club | 50. | Lions Club of Balnarring |
| 5. | Balnarring Bridge Magazine | 51. | Lord Somers Camp |
| 6. | Balnarring Cricket Club | 52. | Merricks Beach Residents Association |
| 7. | Balnarring & District Netball Club | 53. | Merricks Coolart Catchment Landcare |
| 8. | Balnarring Fire Brigade | 54. | Merricks Station Reserve |
| 9. | Balnarring Historical Society | 55. | Merricks Yacht Club |
| 10. | Balnarring Ladies Probus | 56. | MND fundraiser |
| 11. | Balnarring Community Child Care | 57. | Mornington Peninsula Koala Foundation |
| 12. | Balnarring Picnic Racing | 58. | Mornington Peninsula Shire Youth Programs |
| 13. | Balnarring Pony Club | 59. | Mornington Peninsula Masters Swimming Club |
| 14. | Balnarring Pre-School | 60. | Peninsula Hospice |
| 15. | Balnarring Primary School | 61. | Peninsula Riding for Disabled |
| 16. | Balnarring Storm Basketball Club | 62. | Peninsula Summer Music Festival |
| 17. | Balnarring Tennis Club | 63. | Point Leo Foreshore Committee |
| 18. | Balnarring Junior Football Club | 64. | Point Leo Surf Life Saving Club |
| 19. | Balnarring Village Common | 65. | Probus Club of Balnarring |
| 20. | Bittern Fire Brigade | 66. | Red Hill Agricultural & Horticultural Society |
| 21. | Boomerang Bags Balnarring | 67. | Red Hill Op Shop |
| 22. | Carriage Driving for Disabled, Mornington | 68. | Saltbush |
| 23. | Crib Point Football Netball Club | 69. | Semiquavers |
| 24. | Crib Point Junior Cricket Club | 70. | Shoreham Fire Brigade |
| 25. | Crib Point Junior Football Club | 71. | Shoreham Residents Association |
| 26. | Community Defib Program | 72. | Shoreham Tennis |
| 27. | C-Shell Project Flinders | 73. | Somers Art Fair |
| 28. | Disabled Surfers Association | 74. | Somers Chamber Music Society |
| 29. | Dreamhouse Theatre Company | 75. | Somers Fire Brigade |
| 30. | Dromana Secondary College | 76. | Somers Ladies Probus |
| 31. | Embroiderers Guild of Victoria, Flinders | 77. | Somers Primary School |
| 32. | Escabags | 78. | Somers School Camp |
| 33. | Flinders Community Association | 79. | Somers Tennis Club |
| 34. | Flinders District Historical Society | 80. | Somers Yacht Club |
| 35. | Flinders Art Show | 81. | Somerville Football Netball Club |
| 36. | Flinders Bowls Club | 82. | St Johns Flinders, Recital Series & Fete |
| 37. | Flinders Cricket Club | 83. | St Joseph Catholic Primary, Crib Point |
| 38. | Flinders Fringe | 84. | St Marks Church, Balnarring |
| 39. | Flinders Golf Club | 85. | Story Dogs |
| 40. | Flinders Lions Club | 86. | Westernport Community Support |
| 41. | Flinders Pre-School | 87. | Westernport Yacht Club |
| 42. | Flinders Rural Fire Brigade | 88. | Western Port Bay Toastmasters |
| 43. | Flinders Singers | 89. | Western Port Secondary College |
| 44. | Flinders Yacht Club | 90. | Western Port Writes |
| 45. | Flinders Zero Carbon | 91. | Womindjeka Festival Balnarring |
| 46. | Friends of Bill Carroll Reserve | | |

Directors Report

The directors present their financial statements of the company for the financial year ended 30 June 2025

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

Directors

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

Name:	Heather Goddard
Title:	Non-executive director
Experience and expertise:	Diploma of Teaching Primary & Graduate Diploma in Educational Studies (Learning Difficulties in Language and Mathematics). Retired primary teacher. State Parliamentary Electorate Officer 1982-1986. Balnarring Primary School Early Years Literacy Co-Ordinator 1993-2009; BPS Sustainability Co-Ordinator 2009-2011. Founding member of the Balnarring Community Wetlands Committee; member of the Merricks Coolart Catchment Landcare Group. Heather brings extensive local knowledge and involvement, administrative skills and a passion for community to the Board.
Special responsibilities:	Chair, Governance & Human Resources Committee member, Marketing & Business Development Committee member
Name:	Christopher John Gurney
Title:	Non-executive director
Experience and expertise:	Bachelor of Economics Monash University. Graduate of Australian Institute of Company Directors. Past positions in Marketing and General Management with Unilever, Beecham, SCA and Bakers Delight. Key roles were Acting Managing Director Sancellia SCA UK, General Manager Deeko, Logistics and Purchasing Manager CHH/SCA, President COBS Bread North America (Bakers Delight), GM Marketing and Operations Bakers Delight Australia and NZ. Resigned as director of Bakers Delight Holdings in October 2022.
Special responsibilities:	Treasurer, Marketing & Business Development Committee and Finance & Budget Committee Convenor.
Name:	Mark John Laughton
Title:	Non-executive director
Experience and expertise:	Qualified lawyer (LLB & GDLP). Reserve Legal Officer (Lieutenant) RAN. Areas of practice – family law, criminal law, wills and estates, commercial law and military law. Member Crib Point Football Netball Club. On board of directors of J&D (Ravensworth) Pty Ltd.
Special responsibilities:	Nil.
Name:	Ronald Graham Kempster
Title:	Non-executive director
Experience and expertise:	Completed tertiary studies in the UK and holds qualifications in Engineering and Industrial engineering. In Melbourne, added a Graduate Diploma of Management Systems from Swinburne. Since moving to Melbourne in 1971 Ron has held Business Consultant and IT management positions with a major Australian airline, a Quality Manager position with a national computer group and was Operations Support Manager with a long established financial services company. Involvement in several local community groups, some as treasurer.
Special responsibilities:	Member of Community Investment Committee & member of Finance & Budget Committee.

Director's report (continued)

Name:	Stuart Whiteley
Title:	Non-executive director
Experience and expertise:	Stuart is a successful business executive with extensive commercial, strategic and program management expertise across a range of international companies. His work and experience have taken him around the world, and he has a proven track record in the delivery of large and complex high technology programs reflecting his energetic and innovative management style. At home he is a keen photographer, bush walker and enjoys camping with his family. Stuart lived in the area for several years in Somers and more recently in Bittern. Stuart and his wife Sarah have quickly grown to love the beauty and tranquillity of the area. He is an enthusiastic and committed member of the board and relishes the opportunity to bring his experience and knowledge to make a difference in the local community.
Special responsibilities:	Governance & Human Resources Committee and Marketing & Business Development Committee Convenor.
Name:	Kym Anthony Bridgford
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts (History/Politics/International Relations). Dip.Ed Grad Certificate in Counselling. Kym worked in Education and when retired was a large school secondary Principal. Kym has been on the Board as a Director for six years. Kym is active in caring for family and kids. Past member of Western Port tourism.
Special responsibilities:	Governance & Human Resources Committee and Community Investment Committee, Property manager.
Name:	Sarah Jane Moran
Title:	Non-executive director
Experience and expertise:	After working for a digital marketing company for the past 3 years, Sarah has gone back to a previous employer part time, where she works in administration and assists with marketing and social media. She has also started her own Marketing and Design small business to utilise her experience and to continue working with her passion. Sarah is also involved in the Mornington Carriage Driving for the Disabled, where she assists with administration, marketing and fundraising.
Special responsibilities:	Marketing & Business Development Committee and Social Media Coordinator
Name:	Susan Anne Beanland
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts Monash University. Retired in 2019 after a long career at ANZ as Legal Operations Manager. Prior to ANZ held various roles at Rio Tinto (formerly CRA) spanning 18 years including information management and IT. A long history of volunteering including the homeless, refugees, child care and schools. Currently secretary of an owners corporation and an active volunteer at the Red Hill Op Shop.
Special responsibilities:	Member of the Community Investment Committee
Name:	Andrew Scott Thomas
Title:	Non-executive director
Experience and expertise:	Quality Assurance Manager - RAN (current), Chief Petty Officer - RAN (current). Previously held positions as Quality Assurance Manager - APS, Recognition Manager - contracted to RAN, Electronics Instructor & Instructor Manager, Treasurer Dromana Secondary College, Diploma Quality Auditing and Advanced Diploma Electronics Communications.
Special responsibilities:	Deputy Chair, Governance & Human Resources Committee Covener, Member of Community Investment Committee

Director's report (continued)

Name: Michele Sabto
Title: Non-executive director
Experience and expertise: Bachelor of Law with Honours, Master of Arts (Social and Political Theory), Graduate Diploma in Publishing and Editing, Graduate Diploma in Sustainable Agriculture. Past positions as Editor, Managing Editor and Marketing Manager (Academic and Social Sciences, and Trade) at Oxford University Press Australia, Content manager (Village Roadshow), Publishing project management and writing (freelance), Lecturer in professional writing and editing at RMIT, Executive Producer online content at SBS (project position), Manager Monash University ePress (now Monash University Publishing), Co-editor Ecos Magazine (CSIRO), Committee of Management Mornington Peninsula Landcare Network (founding committee member), Consultant project manager sustainable land management and private land conservation projects for various clients including government catchment management bodies and Landcare, solicitor.

Special responsibilities: Member of Governance & Human Resources Committee

Name: Michael Hartley Treadwell
Title: Non-executive director (appointed 28 January 2025)
Experience and expertise: Michael rejoined the Board in early 2025 following his return from a stint working in Western Australia. He holds a Bachelor of Environmental Science and a Master of Urban Planning and currently works in the renewable energy/linear infrastructure sector. Michael was previously on the Board between 2019 and 2023 and has strong ties to the community through his involvement with Point Leo Surf Life Saving Club and the Disabled Surfers Association Mornington Peninsula.

Special responsibilities: Assistant Treasurer

Name: Emma Louise Connell
Title: Non-executive director (appointed 25 March 2025)
Experience and expertise: PhD (Philosophy), University of Western Australia; BSc (Botany with Marine Botany) (Hons), University of North Wales; Graduate, Australian Institute of Company Directors. Emma is a Principal consultant for an engineering consultancy and delivers strategic planning and environment management advice for major projects, including governance, environmental management and advisory services. She has held leadership roles for over 10 years in teams and projects and was a non-executive Director for Western Port Water for 4 years. Emma currently volunteers for Clothes 4U, a charity supporting those in need on the Mornington Peninsula.

Special responsibilities: Member of Governance & Human Resources Committee

Company secretary

The company secretary is Kenneth Brown. Kenneth was appointed to the position of company secretary on 26 October 2021.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$77,660 (30 June 2024: \$143,617).

Operations have continued to perform in line with expectations.

Director's report (continued)

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 14 cents per share (2024: 15 cents)	117,600	126,000

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board		Governance & Human Relations	
	Eligible	Attended	Eligible	Attended
Heather Goddard	11	10	5	5
Christopher John Gurney	11	9	-	-
Mark John Laughton*	6	5	3	3
Ronald Graham Kempster	11	10	-	-
Stuart Whiteley	11	6	5	2
Kym Anthony Bridgford	11	8	5	4
Sarah Jane Moran	11	11	-	-
Susan Anne Beanland	11	10	-	-
Andrew Scott Thomas	11	7	5	5
Michele Sabto	11	8	5	3
Michael Hartley Treadwell	5	5	-	-
Emma Louise Connell	3	3	1	1

Director's report (continued)

	Marketing & Business Development		Community Investment	
	Eligible	Attended	Eligible	Attended
Heather Goddard	7	6	-	-
Christopher John Gurney	7	5	-	-
Mark John Laughton*	-	-	-	-
Ronald Graham Kempster	-	-	9	8
Stuart Whiteley	7	6	9	4
Kym Anthony Bridgford	-	-	9	9
Sarah Jane Moran	7	7	-	-
Susan Anne Beanland	-	-	9	8
Andrew Scott Thomas	-	-	9	6
Michele Sabto	-	-	-	-
Michael Hartley Treadwell	-	-	-	-
Emma Louise Connell	-	-	-	-

* Leave of absence from 1 January 2025 - 30 December 2025

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' benefits

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

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Heather Goddard	1,500	-	1,500
Christopher John Gurney	19,400	-	19,400
Mark John Laughton	-	-	-
Ronald Graham Kempster	-	-	-
Stuart Whiteley	-	-	-
Kym Anthony Bridgford	1,000	-	1,000
Sarah Jane Moran	-	-	-
Susan Anne Beanland	-	-	-
Andrew Scott Thomas	9,600	-	9,600
Michele Sabto	-	-	-
Michael Hartley Treadwell	500	-	500
Emma Louise Connell	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Director's report (continued)

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

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

Auditor's independence declaration

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

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

On behalf of the directors



Heather Goddard
Chair

16th September 2025

Auditor's independence declaration



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

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

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 16th September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

Statement of Profit and Loss and Other Comprehensive Income for year ending 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,381,081	1,486,493
Other revenue		2,044	-
Finance revenue		22,913	20,557
Total revenue		<u>1,406,038</u>	<u>1,507,050</u>
Employee benefits expense	7	(559,418)	(563,822)
Advertising and marketing costs		(4,975)	(19,767)
Occupancy and associated costs		(37,069)	(40,481)
System costs		(29,731)	(32,483)
Depreciation and amortisation expense	7	(83,515)	(86,557)
Finance costs	7	(10,685)	(12,463)
General administration expenses		(122,908)	(123,955)
Loss on disposal of assets		(2,074)	-
Total expenses before community contributions and income tax expense		<u>(850,375)</u>	<u>(879,528)</u>
Profit before community contributions and income tax expense		555,663	627,522
Charitable donations, sponsorships and grants expense	7	<u>(451,303)</u>	<u>(436,033)</u>
Profit before income tax expense		104,360	191,489
Income tax expense	8	<u>(26,700)</u>	<u>(47,872)</u>
Profit after income tax expense for the year		77,660	143,617
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>77,660</u></u>	<u><u>143,617</u></u>
		Cents	Cents
Basic earnings per share	27	9.25	17.10
Diluted earnings per share	27	9.25	17.10

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

Financial Statements (continued)

Statement of Financial Position for year ending 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	173,816	253,882
Trade and other receivables	10	128,935	141,104
Investments	11	513,873	495,206
Current tax assets	8	13,860	-
Total current assets		<u>830,484</u>	<u>890,192</u>
Non-current assets			
Property, plant and equipment	12	139,197	141,881
Right-of-use assets	13	241,467	278,099
Intangible assets	14	41,170	55,110
Deferred tax assets	8	6,191	-
Total non-current assets		<u>428,025</u>	<u>475,090</u>
Total assets		<u>1,258,509</u>	<u>1,365,282</u>
Liabilities			
Current liabilities			
Trade and other payables	15	60,025	49,824
Borrowings	16	-	25,336
Lease liabilities	17	39,467	37,949
Current tax liabilities	8	-	21,785
Employee benefits	18	50,747	45,540
Total current liabilities		<u>150,239</u>	<u>180,434</u>
Non-current liabilities			
Lease liabilities	17	215,683	246,427
Deferred tax liabilities	8	-	1,181
Employee benefits	18	3,126	8,655
Provisions		23,855	23,039
Total non-current liabilities		<u>242,664</u>	<u>279,302</u>
Total liabilities		<u>392,903</u>	<u>459,736</u>
Net assets		<u>865,606</u>	<u>905,546</u>
Equity			
Issued capital	19	815,096	815,096
Retained earnings		50,510	90,450
Total equity		<u>865,606</u>	<u>905,546</u>

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

Financial Statements (continued)

Statement of Changes in Equity for year ending 30 June 2025

Balnarring & District Community Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		815,096	72,833	887,929
Profit after income tax expense		-	143,617	143,617
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	143,617	143,617
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(126,000)	(126,000)
Balance at 30 June 2024		<u>815,096</u>	<u>90,450</u>	<u>905,546</u>
 Balance at 1 July 2024		 815,096	 90,450	 905,546
Profit after income tax expense		-	77,660	77,660
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	77,660	77,660
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(117,600)	(117,600)
Balance at 30 June 2025		<u>815,096</u>	<u>50,510</u>	<u>865,606</u>

Financial Statements (continued)

Statement of Cash Flows for year ending 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,539,083	1,658,193
Payments to suppliers and employees (inclusive of GST)		(1,335,158)	(1,374,414)
Interest received		18,667	18,585
Interest and other finance costs paid		(529)	(1,330)
Income taxes paid		(69,717)	(106,892)
Net cash provided by operating activities	26	152,346	194,142
Cash flows from investing activities			
Investment in term deposits		(18,667)	(18,586)
Payments for property, plant and equipment		(60,878)	(3,781)
Proceeds from disposal of property, plant and equipment		28,635	-
Net cash used in investing activities		(50,910)	(22,367)
Cash flows from financing activities			
Repayment of borrowings		(25,336)	(5,096)
Interest and other finance costs paid		(9,340)	(10,343)
Dividends paid	21	(117,600)	(126,000)
Repayment of lease liabilities		(29,226)	(26,740)
Net cash used in financing activities		(181,502)	(168,179)
Net increase/(decrease) in cash and cash equivalents		(80,066)	3,596
Cash and cash equivalents at the beginning of the financial year		253,882	250,286
Cash and cash equivalents at the end of the financial year	9	173,816	253,882

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

Notes to the Financial Statements

For year ending 30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 2, Balnarring Village, 3000 Frankston-Flinders Road, Balnarring VIC 3926.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Investments

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

Impairment of financial assets

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 3. Material accounting policy information (continued)

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

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

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

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

Impairment of non-financial assets

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

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

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

Incremental borrowing rate

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

Employee benefits provision

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 inflation have been taken into account.

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

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

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

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

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

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,225,456	1,353,094
Fee income	41,199	41,091
Commission income	114,426	92,308
	<u>1,381,081</u>	<u>1,486,493</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	476,917	486,181
Non-cash benefits	10,253	10,372
Superannuation contributions	54,830	52,915
Other expenses	17,418	14,354
	<u>559,418</u>	<u>563,822</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	2,082	2,090
Furniture and fittings	23,431	27,271
Motor vehicles	7,340	6,499
	<u>32,853</u>	<u>35,860</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>36,632</u>	<u>36,731</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,324	2,314
Franchise renewal process fee	11,616	11,562
Other	90	90
	<u>14,030</u>	<u>13,966</u>
	<u><u>83,515</u></u>	<u><u>86,557</u></u>

Finance costs

	2025 \$	2024 \$
Chattel mortgage interest	529	1,330
Lease interest expense	9,340	10,343
Unwinding of make good provision	816	790
	<u>10,685</u>	<u>12,463</u>

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

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	401,303	278,139
Contribution to the Community Enterprise Foundation™	50,000	157,894
	<u>451,303</u>	<u>436,033</u>

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

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

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	34,072	45,751
Movement in deferred tax	(7,372)	2,121
Aggregate income tax expense	<u>26,700</u>	<u>47,872</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>104,360</u>	<u>191,489</u>
Tax at the statutory tax rate of 25%	26,090	47,872
Tax effect of:		
Non-deductible expenses	<u>610</u>	<u>-</u>
Income tax expense	<u>26,700</u>	<u>47,872</u>
	2025 \$	2024 \$
<i>Deferred tax attributable to:</i>		
employee provisions	13,468	10,964
make-good provision	5,964	5,760
lease liability	63,787	71,094
income accruals	(1,898)	(837)
property, plant and equipment	(14,763)	(18,637)
right-of-use assets	(60,367)	(69,525)
Deferred tax asset/(liability)	<u>6,191</u>	<u>(1,181)</u>
	2025 \$	2024 \$
Income tax refund due	<u>13,860</u>	<u>-</u>
	2025 \$	2024 \$
Provision for income tax	<u>-</u>	<u>21,785</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	173,816	253,882

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	112,440	127,426
Other receivables and accruals	317	158
Accrued income	7,596	3,350
Prepayments	8,582	10,170
	16,495	13,678
	128,935	141,104

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	513,873	495,206

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	31,562	31,562
Less: Accumulated depreciation	(23,097)	(21,015)
	8,465	10,547
Furniture and fixtures - at cost	324,460	448,151
Less: Accumulated depreciation	(246,286)	(336,310)
	78,174	111,841
Motor vehicles - at cost	56,371	49,790
Less: Accumulated depreciation	(3,813)	(30,297)
	52,558	19,493
	139,197	141,881

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Furniture and fixtures \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	12,637	135,331	25,992	173,960
Additions	-	3,781	-	3,781
Depreciation	(2,090)	(27,271)	(6,499)	(35,860)
Balance at 30 June 2024	10,547	111,841	19,493	141,881
Additions	-	4,505	56,373	60,878
Disposals	-	(14,741)	(15,968)	(30,709)
Depreciation	(2,082)	(23,431)	(7,340)	(32,853)
Balance at 30 June 2025	<u>8,465</u>	<u>78,174</u>	<u>52,558</u>	<u>139,197</u>

Accounting policy for property, plant and equipment

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

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

Furniture and fixtures	2 to 20 years
Leasehold Improvements	5 to 10 years
Motor vehicles	5 years

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

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

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

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	366,516	366,516
Less: Accumulated depreciation	(125,049)	(88,417)
	<u>241,467</u>	<u>278,099</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2025

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

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

	Land and buildings \$
Balance at 1 July 2023	312,798
Remeasurement adjustments	2,032
Depreciation expense	(36,731)
Balance at 30 June 2024	278,099
Depreciation expense	(36,632)
Balance at 30 June 2025	241,467

Accounting policy for right-of-use assets

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

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

Refer to note 17 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	44,171	44,171
Less: Accumulated amortisation	(37,310)	(34,986)
	6,861	9,185
Franchise renewal fee	170,859	170,859
Less: Accumulated amortisation	(136,550)	(124,934)
	34,309	45,925
	41,170	55,110

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

	Franchise renewal fee \$	Franchise fee \$	Total \$
Balance at 1 July 2023	14,760	61,194	75,954
Transfers in/(out)	(3,261)	(3,707)	(6,968)
Amortisation expense	(2,314)	(11,562)	(13,876)
Balance at 30 June 2024	9,185	45,925	55,110
Amortisation expense	(2,324)	(11,616)	(13,940)
Balance at 30 June 2025	6,861	34,309	41,170

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 14. Intangible assets (continued)

Accounting policy for intangible assets

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

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

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present. They are tested for impairment at each reporting period and whenever impairment indicators are present. The indefinite useful life is also reassessed annually.

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

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

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

Change in estimates

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	6,892	1,396
Other payables and accruals	53,133	48,428
	<u>60,025</u>	<u>49,824</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	60,025	49,824
less other payables and accruals (net GST payable to the ATO)	(16,947)	(13,415)
	<u>43,078</u>	<u>36,409</u>

Note 16. Borrowings

	2025 \$	2024 \$
<i>Current liabilities</i>		
Chattel mortgage - motor vehicle	-	25,336

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 17. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	39,467	37,949
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	215,683	246,427
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	284,376	309,518
Remeasurement adjustments	-	1,598
Lease interest expense	9,340	10,343
Lease payments - total cash outflow	(38,566)	(37,083)
	255,150	284,376

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Balnarring Branch	3.54%	5 years	1 x 5 years	Yes	January 2032

Note 18. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	20,449	18,994
Long service leave	30,298	26,546
	50,747	45,540
<i>Non-current liabilities</i>		
Long service leave	3,126	8,655

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 18. Employee benefits (continued)

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 19. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	840,000	840,000	840,000	840,000
Less: Equity raising costs	-	-	(24,904)	(24,904)
	<u>840,000</u>	<u>840,000</u>	<u>815,096</u>	<u>815,096</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 19. Issued capital (continued)

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 201. As at the date of this report, the company had 226 shareholders (2024: 231 shareholders).

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

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

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

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

Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 21. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Fully franked dividend of 14 cents per share (2024: 15 cents)	117,600	126,000

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	110,434	45,541
Franking credits (debits) arising from income taxes paid (refunded)	69,717	106,893
Franking debits from the payment of franked dividends	(39,200)	(42,000)
	140,951	110,434
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	140,951	110,434
Franking credits (debits) that will arise from payment (refund) of income tax	(13,860)	21,785
Franking credits available for future reporting periods	127,091	132,219

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

Accounting policy for dividends

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

Note 22. Financial risk management

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

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

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

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

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 22. Financial risk management (continued)

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	120,353	130,934
Cash and cash equivalents (note 9)	173,816	253,882
Investments (note 11)	513,873	495,206
	<u>808,042</u>	<u>880,022</u>
Financial liabilities		
Trade and other payables (note 15)	43,078	36,409
Lease liabilities (note 17)	255,150	284,376
Chattel mortgages (note 16)	-	25,336
	<u>298,228</u>	<u>346,121</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$173,816 at 30 June 2025 (2024: \$253,882) and term deposits of \$513,873 at 30 June 2025 (2024: \$495,206).

Price risk

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 22. Financial risk management (continued)

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	43,078	-	-	43,078
Lease liabilities	40,109	171,241	74,921	286,271
Total non-derivatives	83,187	171,241	74,921	329,349
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Chattel mortgage	25,336	-	-	25,336
Trade and other payables	36,409	-	-	36,409
Lease liabilities	38,566	166,233	120,037	324,836
Total non-derivatives	100,311	166,233	120,037	386,581

Note 23. Key management personnel disclosures

The following persons were directors of Balnarring & District Community Services Limited during the financial year or up to the date of signing of these Financial Statements.

Heather Goddard
Christopher John Gurney
Mark John Laughton
Ronald Graham Kempster
Stuart Whiteley
Kym Anthony Bridgford

Sarah Jane Moran
Susan Anne Beanland
Andrew Scott Thomas
Michele Sabto
Michael Hartley Treadwell
Emma Louise Connell

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

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

Note 24. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 24. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
During the year the company made a donation to Red Hill Op Shop of which a director is a member. The total benefit received was:	-	2,450
During the year the company made a sponsorship to Crib Point Football Netball Club of which a director is the Vice President. The total benefit received was:	41,426	50,000
During the year the company made a sponsorship and donation to RDAV Mornington Carriage Driving of which a director is associated with. The total benefit received was:	-	6,000
During the year the company made a sponsorship to Somerville Football Netball Club of which a director is associated with. The total benefit received was:	-	2,640
During the year the company made a sponsorship to Merricks Coolart Catchment Landcare of which a director is associated with. The total benefit received was:	14,509	2,014

Transactions with associated entities

The company entered into a number of transactions with community organisations that have an association with directors. These transactions do not meet the definition of related party transactions under AASB 124, as the directors or their related parties do not hold positions of influence over the recipient organisations.

However, given the qualitative and quantitative materiality of these transactions, the company has elected to disclose them in aggregate.

	2025 \$	2024 \$
During the year, the company entered into sponsorship arrangements with various community groups where directors hold an association. The total benefit received was:	56,678	-

Note 25. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,450
<i>Other services</i>		
General advisory services	3,340	3,490
Share registry services	6,227	4,456
	9,567	7,946
	17,497	14,396

Notes to the Financial Statements (continued)

For year ending 30 June 2025

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	77,660	143,617
Adjustments for:		
Depreciation and amortisation	83,425	86,467
Net loss on disposal of non-current assets	2,074	-
Lease liabilities interest	9,340	10,343
Change in operating assets and liabilities:		
Decrease in trade and other receivables	12,169	23,082
Increase in income tax refund due	(13,860)	-
Decrease/(increase) in deferred tax assets	(6,191)	940
Increase in trade and other payables	10,201	10,188
Decrease in provision for income tax	(21,785)	(61,141)
Increase/(decrease) in deferred tax liabilities	(1,181)	1,181
Decrease in employee benefits	(322)	(21,325)
Increase in other provisions	816	790
Net cash provided by operating activities	<u>152,346</u>	<u>194,142</u>

Note 27. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>77,660</u>	<u>143,617</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>840,000</u>	<u>840,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>840,000</u>	<u>840,000</u>
	Cents	Cents
Basic earnings per share	9.25	17.10
Diluted earnings per share	9.25	17.10

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Balnarring & District Community Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

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

Director's declaration

For year ending 30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Heather Goddard
Chair

16th September 2025

Independent audit report



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

Independent auditor's report to the Directors of Balnarring & District Community Services Limited

Report on the audit of the financial report

Our opinion

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

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

What we have audited

We have audited the financial report of Balnarring & District Community Services Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Independent audit report (continued)



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 16th September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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