

Annual Report 2025

Barwon Heads Community
Enterprise Limited

Community Bank
Barwon Heads

ABN 68 149 465 396



Contents

Chair's report	2
Manager's report	4
Bendigo and Adelaide Bank report	5
Community Bank National Council report	6
Directors' report	7
Auditor's independence declaration	12
Financial statements	13
Notes to the financial statements	17
Directors' declaration	37
Independent audit report	38

Chair's report

For year ending 30 June 2025

Our Vision is *To be your community bank – community driven* with a Mission to *Create lasting & meaningful impacts for our communities* and we continued to focus and deliver on this throughout FY25. Thanks to the fantastic effort of our Branch team, the ongoing support of our customers, the advocacy of the groups we support and sponsor, and the commitment of our volunteer Board, over \$130,000 was provided back to our communities through FY25.

FY25 continued to see an increase in both the number of requests for funding and sponsorship and also the actual amounts requested. There are a number of drivers for this increase including the economic environment and overall increased costs and reductions in funding at all levels of government. As a Board, we see this increase demand as a positive. To us it means that our local community groups and sporting groups understand who we are, what we do and why we are here – as our mission clearly states – we are here to *Create lasting & meaningful impacts for our communities*.

A big change that we implemented in FY25 to take effect FY26 was the move to twice-yearly rounds for sponsorship and grant requests. This was implemented to enable us to have greater efficiency, increase visibility of budget allocations and also create a level playing field for all request so they can be reviewed and assessed together. Early indications are that this significant change has been received very positively.

Whilst it's a positive, the increased demand for sponsorship and grants does create challenges in terms of ensuring we have suitable funds to be able to support the funding requests that do align with our Vision, Mission and Community Impact Strategy Pillars.

So, To our customers – thank you on behalf of our communities. We are very aware that you have a choice as to where your source your financial services and products. As such, we truly appreciate your decision to bank with Community Bank Barwon Heads. The fact that you do bank with us, enables us to be in a position where we can support a broad range of community and sporting groups across our region.

We can only provide these funds back to our communities if our Community Bank performs – and we certainly did that. This is our second year of a challenging operating environment and our Branch team continues to deliver. As I highlighted last year, as a Board we are exceptionally proud of our team who are led so passionately by Kellie. It is a real achievement (and we are extremely fortunate) to have such a stable, committed and friendly team and the work that Kellie has done to create such a positive team environment is sensational.

From a strategic perspective, the focus during FY25 (and this will continue into FY26) has shifted increasingly to growth. For Community Bank Barwon Heads to continue to be successful and to support the community and sporting groups in the way we do, we simply must have ongoing sustainable business growth.

Subsequently in FY25 we commenced an increased focus on a number of areas with a specific focus on driving business growth and implemented considered strategic to bring these to fruition:

- Increasing our presence in Warralilly and Armstrong Creek:
 - We have existing connections with our immediate neighbours (who are actually part of our sporting and community groups) through Branch Team members, Board team and existing customers. So, it makes logical, strategic and financial sense to increase our presence in these communities – as always led by support for sporting and community groups.
 - To this end, we are proud sponsors of Armstrong Creek Football Club, Armstrong Creek United FC and Armstrong Creek Cricket Club and look forward to the ongoing friendly rivalry as these clubs compete with their Barwon Heads counterparts for Community Challenge games
- Working more closely with the major groups we sponsor to support them in generating great return on investment (ROI) for the sponsorship:

Chair's report (continued)

- Four of the clubs that we sponsor are on an official Community Bank Barwon Heads Referral Program which provides them the opportunity to receive a commission if one or more of a specific range of financial products are taken up by one of their players, members or connections with Barwon Heads Community Bank. Increasingly as the larger sporting clubs increase their request for sponsorship, the Referral Program will be the channel by which they can secure the additional funding request.
- With all of the sporting and community groups we support, we are having an increased focus on maximizing the opportunity for these groups to help us tell our story. Our request for all sporting and community groups is quite simple – if you appreciated the support we provide you, all we ask is that you encourage your members and connections to “give the bank a go”. If you are not a customer, call into the Branch (or give them a call) and see how they compare with your existing financial provider. We will probably meet them on price, we will definitely beat them on service, and we will absolutely smash them on commitment to our local communities!
- Increasing our connection with Business Banking:
 - Over the last 2 years, Bendigo Bank has invested significantly in its Business Banking offering including both systems and people. We are now seeing the benefits of this and so over the last 12 months have increased our partnership and engagement with our local business banking team
 - We have commenced engaging with local business customers to ensure we have an increased understanding of their needs and starting to engage with them so they understand the story of Community Bank Barwon Heads and the positive impact they might have by transferring their business banking to Community Bank Barwon Heads.

These are just three of a number of initiatives that we will continue to focus on in FY26 to ensure we continue to grow in a sustainable way.

From a Board perspective, we have continued to see change in our volunteer Board. We ask a lot of you. Not only do we ask you to engage in the community, advocate and promote the Branch and the impact we have, we also ask you to be Company Directors and help guide a significant business to grow sustainably. Thank-you to you all – and your families who support you in this noble cause.

As a community owned bank, we are extremely fortunate to have a loyal and committed shareholder group – thank you for your ongoing support of Community Bank Barwon Heads.

A final request - Would you please help us to continue to tell our story?

We are excited about the opportunities that exist across our region and in our communities. But, for Community Bank Barwon Heads to continue to grow and make the contribution to our communities, we need to grow our business – that's where we need you!

Help us tell the story of the Community Bank model and that Community Bank Barwon Heads has contributed over \$1.3M back to our communities.

Word of mouth is still the most impactful form of communication and we still find that when a potential customer is recommended by a Barwon Heads Community Bank advocate (like you), this is the most powerful way of gaining new customers, growing our business and enabling us to give back to our communities.

Thank you again for your support, it is truly a privilege to be Chair of the Community Bank Barwon Heads.

All the best!



Damien O'Malley
Chair
Community Bank Barwon Heads

Manager's report

For year ending 30 June 2025

It is my pleasure to present the Community Bank Barwon Heads Branch Managers Report for the financial year ending 30 June 2025.

Performance & Achievements

We achieved 8.8% growth in lending and 25% deposit growth. Our customers numbers increased by 330 with strong growth in home loan customers joining us. Community Bank Barwon Heads contributed over \$130,000 back to the community through grants, sponsorships and partnerships. We welcomed 2 new staff members – Dean and Mikku – who joined us whilst Maddie & Likhitha take some time away from the business with their new babies. We invested in professional development for our team with Cassie & myself taking part in the Activate Leadership Program.

Community Engagement

Remains a strong focus for us in the branch and the team and I have enjoyed connecting with many local groups. We participated in the Community Bowls in February 2025, unfortunately taking out the wooden spoon. These events are a great opportunity for us to connect and spend time with other businesses in our local area along with community and sporting groups. The team enjoys these opportunities to see why we work as hard as we do for the community.

Challenges

Some pressures arose throughout the year due to staff illness, unplanned leave and upskilling our new to bank staff. However, despite this – our team remained focused on delivering great service and supporting our customers.

Looking ahead

Focus will be on growing our home loan book along with a renewed focus on business banking. We will continue to invest in our people and customer service. Strengthening community partnerships to ensure we continue to give back and make a positive impact.

In closing, I would like to thank our staff, customers, board members and the wider community for their support throughout the year. Together we continue to strengthen the role of our Community Bank



Kellie Thomson
Branch Manager
Community Bank Barwon Heads

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits.

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1,500+ volunteer Directors, 1,700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and Directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formerly certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

Directors' report

30 June 2025

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

Directors

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

Name:	Damien Patrick O'Malley
Title:	Non-executive director
Experience and expertise:	Founder and Senior Consultant of strategic HR consulting business and co-founder of strategic off-sites consulting business. Clients include commercial / non-for-profit organisations in health, hospitality, infrastructure, financial services, legal services & retail. Previous experience as senior HR practitioner in leading national business in financial services, directories, gambling & entertainment, aviation and retail. Masters of Human Resources Development (UTS), Bachelor of Arts (Adelaide University), accredited as Executive Coach and number of leadership, team and cultural diagnostics.
Special responsibilities:	Member Business Development and Grants, Member Operations, and Culture Committee, Member Strategy and Governance Committee
Name:	Pamela Jean Morrison
Title:	Non-executive director
Experience and expertise:	Pamela is a recently retired Emergency Nurse. She has also worked in remote area nursing -Weipa -and in a Withdrawal Clinic in Geelong. Pamela has a Nursing Degree with Honours which she completed at the age of 45. She belongs to the local Community Garden group with the ancillary group of Beekeepers. She is passionate about supporting community groups and individuals within the community of Barwon Heads and surrounds. Recently Pamela has undertaken an admin. role with Geelong Hospice Foundation which involved scribing for their Voluntary Board and assisting with the administration of Grants to relevant groups and individuals within the Palliative Care community.
Special responsibilities:	Member Business Development and Grants Committee
Name:	David Ian Patrick
Title:	Non-executive director
Experience and expertise:	After retiring from senior management positions in a large multinational company, Patrick undertook consultancy positions with various public companies focusing on the Logistics and Procurement functions. Since being welcomed into the Barwon Heads community a number of years ago he wanted to contribute back into that community, hence his decision to join the board.
Special responsibilities:	Chair Operations and Culture Committee
Name:	Dylan Mulgrew
Title:	Non-executive director
Experience and expertise:	Dylan is a Finance Manager with a Federal Government Agency and has expertise in Financial Governance & Performance. Dylan is a provisional member of Chartered Accountants ANZ and has a Bachelor of Commerce from Deakin University.
Name:	Tim Crowley
Title:	Non-executive director
Experience and expertise:	Tim is a Team leader at Worksafe in the Claims and Recovery Support Division. Previous employed for 3 years as a Team Manager at TAC in the Relationship Management Branch. He currently volunteers for the following: Geelong Youth Engagement – Committee for Events Leaders for Geelong Program 2023 – Committee for Geelong Leaders for Geelong Mentor for 2024 Program – Committee for Geelong

Directors' report (continued)

Name:	Marnie Laurie
Title:	Non-executive Director (appointed 29 July 2024)
Experience and expertise:	Bachelor of Science in Optometry, retired, Barwon Heads resident
Special responsibilities:	Member of the Business Development, Marketing & Grants subcommittee
Name:	Cooper Brown
Title:	Non-executive Director (appointed 1 October 2024)
Experience and expertise:	Australian legal practitioner, Bachelor of Law and International Relations.
Special responsibilities:	Company Secretary
Name:	Katie Hedley
Title:	Non-executive director (appointed 25 May 2025)
Experience and expertise:	Katie is a Barwon Heads Resident.
Special responsibilities:	Member of the Business Development, Marketing & Grants subcommittee
Name:	Georgia Gray
Title:	Non-executive director (appointed 30 June 2025, resigned 29 September 2025)
Experience and expertise:	Ma Health Promotion & Nutrition Latrobe University, Wellbeing Manager Worksafe Victoria
Special responsibilities:	Member of the Business Development, Marketing & Grants subcommittee
Name:	Rob Gemes
Title:	Non-executive director (appointed 30 June 2025)
Experience and expertise:	Owner/Operator of Lon Retreat and Spa, award winning, boutique accommodation and spa business located in Point Lonsdale. Previously employed as a High-End Residential Construction Project Manager for Lowther Builders in Melbourne. Prior to that, time spent working as Site Supervisor on various residential projects in Melbourne. Began Career in Chartered Accounting and worked for 2 inner city Accounting Firms before moving into Construction. Hold a Bachelor of Business Degree (Honours) and a Certificate IV in Construction. Currently involved as Board Member of BEN and involved in the Barwon Heads community through two men's groups, member of the BH Tennis Club and a volunteer for local sporting groups as required.
Special responsibilities:	Nil
Name:	Christine Mary McDonald
Title:	Non-executive director (resigned 7 May 2025)
Experience and expertise:	Bachelor of Science, Diploma Education, Certificate IV in Financial Services. Experience as a Mathematics/Computer Science Teacher, RAN Officer in the areas of electronics and media, Finance Officer and BAS Agent.
Special responsibilities:	Secretary, Member Operations and Culture Committee
Name:	Ethan Wright
Title:	Non-executive director (resigned 18 January 2025)
Experience and expertise:	Ethan works in education and is involved in supporting the Barwon Heads Football Club's women's teams.
Special responsibilities:	Member Business Development and Grants Committee
Name:	Steve Heather
Title:	Non-executive Director (appointed 1 October 2024, resigned 27 January 2025)
Experience and expertise:	
Name:	Lisa Nicole Hind
Title:	Non-executive director (resigned 26 August 2024)
Experience and expertise:	Lisa is a media, communications and content specialist with experience building brand equity and positive community sentiment for a range of media, government and non-profit organisations across multiple channels including radio, television and social media.
Special responsibilities:	Member Business Development and Grants Committee

Directors' report (continued)

Name: Matthew James Morey
Title: Non-executive director (resigned 26 August 2024)
Experience and expertise: Medical practitioner – cersilta radidegist
Special responsibilities: Matthew is medical practitioner and consultant radiologist. He is active in the local community with the primary school and sporting clubs.

Name: Nicola O'Reilly
Title: Non-executive Director (resigned 1 October 2024)
Experience and expertise: Nicola has prior experience in Senior Manager roles, employed in the fashion industry at Target, Harris Scarfe, Gloweave and Myer.
Special responsibilities: Member Business Development and Grants Committee

Company secretary

There have been two company secretaries holding the position during the financial year:

- Cooper Brown was appointed company secretary 26 May 2025.
- Christine McDonald was appointed company secretary on 15 May 2023 and resigned 7 May 2025.

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 \$74,726 (30 June 2024: loss of \$60,688).

Operations have continued to perform in line with expectations.

Dividends

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

	2025	2024
	\$	\$
Fully franked dividend of 7 cents per share (2024: 8.21 cents)	<u>57,222</u>	<u>67,113</u>

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.

Directors' report (continued)

Meetings of directors

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

	Board		Business Development & Grants	
	Eligible	Attended	Eligible	Attended
Damien Patrick O'Malley	10	9	8	4
Pamela Jean Morrison	10	10	8	8
David Ian Patrick	10	6	-	-
Dylan Mulgrew	10	9	-	-
Tim Crowley	10	9	-	-
Marnie Laurie	10	9	8	7
Cooper Brown	7	6	6	3
Katie Hedley	2	2	2	2
Georgia Gray	1	-	-	-
Rob Gemes	1	-	-	-
Christine Mary McDonald	8	3	-	-
Ethan Wright	5	2	-	-
Steve Heather	2	2	2	2
Lisa Nicole Hind	-	-	-	-
Matthew James Morey	-	-	-	-
Nicola O'Reilly	3	-	2	-

	Operations & Culture		Strategy, Governance & Stakeholder	
	Eligible	Attended	Eligible	Attended
Damien Patrick O'Malley	-	-	9	8
Pamela Jean Morrison	-	-	-	-
David Ian Patrick	11	9	-	-
Dylan Mulgrew	-	-	9	6
Tim Crowley	11	10	-	-
Marnie Laurie	-	-	-	-
Cooper Brown	-	-	-	-
Katie Hedley	-	-	-	-
Georgia Gray	-	-	-	-
Rob Gemes	-	-	-	-
Christine Mary McDonald	8	8	-	-
Ethan Wright	-	-	5	4
Steve Heather	-	-	-	-
Lisa Nicole Hind	-	-	-	-
Matthew James Morey	-	-	-	-
Nicola O'Reilly	-	-	-	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

No directors hold an interest in company shareholdings.

Shares under option

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

Directors' report (continued)

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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



Damien Patrick O'Malley
Chair

5 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 Barwon Heads Community Enterprise Limited

As lead auditor for the audit of Barwon Heads Community Enterprise 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: 5 September 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Financial statements

Barwon Heads Community Enterprise Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,210,822	1,149,979
Other revenue		26,457	29,182
Finance revenue		23,256	19,917
Total revenue		<u>1,260,535</u>	<u>1,199,078</u>
Employee benefits expense	7	(709,594)	(686,680)
Advertising and marketing costs		(11,888)	(21,445)
Occupancy and associated costs		(27,540)	(29,945)
System costs		(32,532)	(36,576)
Depreciation and amortisation expense	7	(117,867)	(130,876)
Finance costs	7	(43,034)	(37,694)
General administration expenses		(128,936)	(116,225)
Total expenses before community contributions and income tax expense		<u>(1,071,391)</u>	<u>(1,059,441)</u>
Profit before community contributions and income tax expense		189,144	139,637
Charitable donations, sponsorships and grants expense	7	<u>(88,890)</u>	<u>(217,938)</u>
Profit/(loss) before income tax (expense)/benefit		100,254	(78,301)
Income tax (expense)/benefit	8	<u>(25,528)</u>	<u>17,613</u>
Profit/(loss) after income tax (expense)/benefit for the year		74,726	(60,688)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>74,726</u></u>	<u><u>(60,688)</u></u>
		Cents	Cents
Basic earnings per share	27	9.14	(7.42)
Diluted earnings per share	27	9.14	(7.42)

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

Financial statements (continued)

Barwon Heads Community Enterprise Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	332,681	241,841
Trade and other receivables	10	88,996	93,698
Investments	11	504,591	492,766
Total current assets		<u>926,268</u>	<u>828,305</u>
Non-current assets			
Investment properties	14	32,882	48,176
Property, plant and equipment	12	175,898	194,506
Right-of-use assets	13	484,985	520,624
Intangible assets	15	24,150	37,323
Deferred tax assets	8	5,840	15,350
Total non-current assets		<u>723,755</u>	<u>815,979</u>
Total assets		<u>1,650,023</u>	<u>1,644,284</u>
Liabilities			
Current liabilities			
Trade and other payables	16	76,906	67,362
Lease liabilities	17	99,743	96,091
Current tax liabilities	8	16,018	-
Employee benefits	18	23,579	11,007
Total current liabilities		<u>216,246</u>	<u>174,460</u>
Non-current liabilities			
Trade and other payables	16	-	14,631
Lease liabilities	17	468,110	508,897
Employee benefits	18	3,333	1,528
Provisions		1,480	1,418
Total non-current liabilities		<u>472,923</u>	<u>526,474</u>
Total liabilities		<u>689,169</u>	<u>700,934</u>
Net assets		<u>960,854</u>	<u>943,350</u>
Equity			
Issued capital	19	789,491	789,491
Retained earnings		<u>171,363</u>	<u>153,859</u>
Total equity		<u>960,854</u>	<u>943,350</u>

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

Financial statements (continued)

Barwon Heads Community Enterprise 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		789,491	281,660	1,071,151
Loss after income tax benefit		-	(60,688)	(60,688)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(60,688)	(60,688)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(67,113)	(67,113)
Balance at 30 June 2024		<u>789,491</u>	<u>153,859</u>	<u>943,350</u>
 Balance at 1 July 2024		 789,491	 153,859	 943,350
Profit after income tax expense		-	74,726	74,726
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	74,726	74,726
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(57,222)	(57,222)
Balance at 30 June 2025		<u>789,491</u>	<u>171,363</u>	<u>960,854</u>

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

Financial statements (continued)

Barwon Heads Community Enterprise Limited Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,384,905	1,294,106
Payments to suppliers and employees (inclusive of GST)		(1,109,461)	(1,167,215)
Interest received		13,004	17,814
Income taxes refunded		-	28,106
Net cash provided by operating activities	26	288,448	172,811
Cash flows from investing activities			
Investment in term deposits		(11,825)	(467,813)
Payments for property, plant and equipment		(12,163)	(234,249)
Payments for intangible assets		(13,301)	(13,301)
Net cash used in investing activities		(37,289)	(715,363)
Cash flows from financing activities			
Interest and other finance costs paid		(42,972)	(37,630)
Dividends paid	21	(57,222)	(67,113)
Repayment of lease liabilities		(60,125)	(61,362)
Net cash used in financing activities		(160,319)	(166,105)
Net increase/(decrease) in cash and cash equivalents		90,840	(708,657)
Cash and cash equivalents at the beginning of the financial year		241,841	950,498
Cash and cash equivalents at the end of the financial year	9	332,681	241,841

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Barwon Heads Community Enterprise 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 70 Hitchcock Avenue, Barwon Heads, VIC 3227.

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 5 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)

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)

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Notes to the financial statements (continued)

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

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 May 2027.

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,058,807	1,025,656
Fee income	64,018	53,015
Commission income	87,997	71,308
	<u>1,210,822</u>	<u>1,149,979</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:

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	617,449	549,973
Non-cash benefits	-	2,217
Superannuation contributions	69,650	62,341
Expenses related to long service leave	1,968	7,971
Other expenses	20,527	64,178
	<u>709,594</u>	<u>686,680</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	23,138	22,494
Plant and equipment	7,633	7,632
	<u>30,771</u>	<u>30,126</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	56,782	60,292
Investment property	17,141	14,602
	<u>73,923</u>	<u>74,894</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,195	2,196
Franchise renewal fee	10,978	10,977
Rights to revenue share	-	12,683
	<u>13,173</u>	<u>25,856</u>
	<u>117,867</u>	<u>130,876</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Finance costs

	2025 \$	2024 \$
Lease interest expense	42,972	37,630
Unwinding of make-good provision	62	64
	<u>43,034</u>	<u>37,694</u>

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	<u>88,890</u>	<u>217,938</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).

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense/(benefit)</i>		
Current tax	16,018	-
Movement in deferred tax	(8,267)	(10,589)
Future income tax benefit attributable to losses	17,777	(4,534)
Under/over adjustment	-	(2,490)
Aggregate income tax expense/(benefit)	<u>25,528</u>	<u>(17,613)</u>
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax (expense)/benefit	<u>100,254</u>	<u>(78,301)</u>
Tax at the statutory tax rate of 25%	25,064	(19,575)
Tax effect of:		
Non-deductible expenses	464	4,452
Under/over adjustment	-	(2,490)
Income tax expense/(benefit)	<u>25,528</u>	<u>(17,613)</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Carried-forward tax losses	-	17,777
Property, plant and equipment	(10,641)	(14,412)
Employee benefits	6,728	3,134
Lease liabilities	141,963	151,247
Provision for lease make good	370	355
Income accruals	(3,113)	(551)
Right-of-use assets	(129,467)	(142,200)
Deferred tax asset	<u>5,840</u>	<u>15,350</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Provision for income tax	16,018	-

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	306,593	216,932
Sandhurst Select 90 Fund	26,088	24,909
	<u>332,681</u>	<u>241,841</u>

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	72,674	86,319
Accrued income	12,455	2,203
Prepayments	3,867	5,176
	<u>16,322</u>	<u>7,379</u>
	<u>88,996</u>	<u>93,698</u>

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
Current assets		
Term deposits	<u>504,591</u>	<u>492,766</u>

Notes to the financial statements (continued)

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	248,854	236,691
Less: Accumulated depreciation	(89,350)	(66,212)
	<u>159,504</u>	<u>170,479</u>
Plant and equipment - at cost	53,875	53,875
Less: Accumulated depreciation	(37,481)	(29,848)
	<u>16,394</u>	<u>24,027</u>
	<u>175,898</u>	<u>194,506</u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	187,460	31,659	219,119
Additions	5,513	-	5,513
Depreciation	(22,494)	(7,632)	(30,126)
Balance at 30 June 2024	170,479	24,027	194,506
Additions	12,163	-	12,163
Depreciation	(23,138)	(7,633)	(30,771)
Balance at 30 June 2025	<u>159,504</u>	<u>16,394</u>	<u>175,898</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 straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5 to 10 years
Plant and equipment	1 to 40 years

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

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

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

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	909,584	888,441
Less: Accumulated depreciation	(424,599)	(367,817)
	<u>484,985</u>	<u>520,624</u>

Notes to the financial statements (continued)

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

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

	Land and buildings \$
Balance at 1 July 2023	269,666
Remeasurement adjustments	311,250
Depreciation expense	(60,292)
Balance at 30 June 2024	520,624
Remeasurement adjustments	21,143
Depreciation expense	(56,782)
Balance at 30 June 2025	<u>484,985</u>

Remeasurement

During the 2024 financial year, the company determined that as a result of the significant refurbishment performed on the current branch premises during 2023, it was now reasonably certain to exercise 1 x 5 year option contained within the lease agreement. Resultingly, the term of the lease used in the calculation of the right-of-use asset was extended during the 2024 financial year.

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. Investment properties

	2025 \$	2024 \$
Investment property - sublease - at cost	79,457	77,610
Less: Accumulated depreciation	(46,575)	(29,434)
	<u>32,882</u>	<u>48,176</u>

Reconciliation

Reconciliation of the beginning and end of the current and previous financial year are set out below:

Opening balance	48,176	71,518
Remeasurement adjustments	1,847	(8,740)
Depreciation expense	(17,141)	(14,602)
Closing amount	<u>32,882</u>	<u>48,176</u>

The investment property is an operating sublease which is for a period of 5 years commencing June 2022.

Notes to the financial statements (continued)

Note 14. Investment properties (continued)

Accounting policy for investment properties - sublease

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting policies in note 17 'Lease liabilities' and note 13 'Right-of-use assets' before separately identifying the sublease portion under *AASB 140: Investment property*. The investment property is initially measured at cost under *AASB 16: leases* and subsequently measured at cost less accumulated depreciation under *AASB 140: investment property*. The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

During the sublease term the company recognises sublease income in other revenue when earned. Depreciation on the right-of-use asset and interest on the lease liability is recognised under the head lease. The company recognises the sublease portion of the right-of-use asset within investment property.

Note 15. Intangible assets

	2025 \$	2024 \$
Rights to revenue share	63,415	63,415
Less: Accumulated amortisation	(63,415)	(63,415)
	-	-
Franchise fee	32,169	32,169
Less: Accumulated amortisation	(28,144)	(25,949)
	4,025	6,220
Franchise renewal fee	110,848	110,848
Less: Accumulated amortisation	(90,723)	(79,745)
	20,125	31,103
	<u>24,150</u>	<u>37,323</u>

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

	Rights to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	12,683	8,416	42,080	63,179
Amortisation expense	(12,683)	(2,196)	(10,977)	(25,856)
Balance at 30 June 2024	-	6,220	31,103	37,323
Amortisation expense	-	(2,195)	(10,978)	(13,173)
Balance at 30 June 2025	<u>-</u>	<u>4,025</u>	<u>20,125</u>	<u>24,150</u>

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. The company has also acquired a customer list from Bendigo Bank.

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 and rights to revenue share acquired are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Notes to the financial statements (continued)

Note 15. Intangible assets (continued)

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	May 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	May 2027

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 16. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Other payables and accruals	<u>76,906</u>	<u>67,362</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>-</u>	<u>14,631</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	76,906	81,993
less other payables and accruals - net GST payable to the ATO	<u>(14,061)</u>	<u>(17,076)</u>
	<u>62,845</u>	<u>64,917</u>

Note 17. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>99,743</u>	<u>96,091</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>468,110</u>	<u>508,897</u>
<i>Reconciliation of lease liabilities</i>		
	2025	2024
	\$	\$
Opening balance	604,988	363,751
Remeasurement adjustments	22,989	302,599
Lease interest expense	42,972	37,630
Lease payments - total cash outflow	<u>(103,097)</u>	<u>(98,992)</u>
	<u>567,852</u>	<u>604,988</u>

Notes to the financial statements (continued)

Note 17. Lease liabilities (continued)

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Barwon Heads Branch	7.5%	7 years	3 x 5 years	Yes - 1 x 5 years	June 2032

Note 18. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	23,579	11,007
<i>Non-current liabilities</i>		
Long service leave	3,333	1,528

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	817,464	817,464	817,464	817,464
Less: Equity raising costs	-	-	(27,973)	(27,973)
	<u>817,464</u>	<u>817,464</u>	<u>789,491</u>	<u>789,491</u>

Notes to the financial statements (continued)

Note 19. Issued capital (continued)

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- 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 241. As at the date of this report, the company had 268 shareholders (2024: 269 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.

Notes to the financial statements (continued)

Note 19. Issued capital (continued)

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.

Note 21. Dividends

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

	2025	2024
	\$	\$
Fully franked dividend of 7 cents per share (2024: 8.21 cents)	57,222	67,113

Notes to the financial statements (continued)

Note 21. Dividends (continued)

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	139,233	189,710
Franking credits (debits) arising from income taxes paid (refunded)	-	(28,106)
Franking debits from the payment of franked distributions	(19,074)	(22,371)
	<u>120,159</u>	<u>139,233</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	120,159	139,233
Franking credits (debits) that will arise from payment (refund) of income tax	16,018	-
Franking credits available for future reporting periods	<u>136,177</u>	<u>139,233</u>

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.
- The company has no borrowings.

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables	85,129	88,522
Cash and cash equivalents (note 9)	332,681	241,841
Investments (note 11)	504,591	492,766
	<u>922,401</u>	<u>823,129</u>
Financial liabilities		
Trade and other payables (note 16)	62,845	64,917
Lease liabilities (note 17)	567,853	604,988
	<u>630,698</u>	<u>669,905</u>

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

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

- Amortised cost

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

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

Derecognition

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

Impairment of trade and other receivables

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

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 \$332,681 and term deposits of \$504,591 at 30 June 2025 (2024: \$241,841 and \$492,766).

Equity Price risk

The company is not exposed to any significant price risk.

Liquidity risk

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

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

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	76,906	-	-	76,906
Lease liabilities	103,097	412,386	206,193	721,676
Total non-derivatives	180,003	412,386	206,193	798,582
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	50,286	14,631	-	64,917
Lease liabilities	99,322	397,290	-	496,612
Total non-derivatives	149,608	411,921	-	561,529

Note 23. Key management personnel disclosures

The following persons were directors of Barwon Heads Community Enterprise Limited during the financial year and/or up to the date of signing of these Financial Statements

Damien Patrick O'Malley
Pamela Jean Morrison
David Ian Patrick
Dylan Mulgrew
Tim Crowley
Marnie Laurie
Cooper Brown
Katie Hedley

Georgia Gray
Rob Gemes
Christine Mary McDonald
Ethan Wright
Steve Heather
Lisa Nicole Hind
Matthew James Morey
Nicola O'Reilly

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)

Note 24. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
During the period the company paid a sponsorship to Barwon Heads Grove Golf Club, of which a director's husband is the president and director is a member. The total benefit received was:	-	60,000
During the period the company paid a sponsorship to Ocean Grove Surf Life Saving Club, of which a director is member. The total benefit received was:	-	2,273
During the period the company paid a sponsorship to Barwon Heads Football & Netball Club, of which a director is member. The total benefit received was:	12,500	27,264
During the period the company paid a sponsorship to Barwon Heads Cricket Club, of which a director is a member. The total benefit received was:	12,500	13,000

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	8,230	6,450
Taxation advice and tax compliance services	265	1,513
General advisory services	5,180	5,870
Share registry services	5,880	4,860
	11,325	12,243
	19,555	18,693

Notes to the financial statements (continued)

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

	2025 \$	2024 \$
Profit/(loss) after income tax (expense)/benefit for the year	74,726	(60,688)
Adjustments for:		
Depreciation and amortisation	117,867	130,876
Lease liabilities interest	42,972	37,630
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	4,702	(7,496)
Decrease in income tax refund due	-	28,106
Decrease/(increase) in deferred tax assets	9,510	(15,350)
Increase in trade and other payables	8,214	57,827
Increase in provision for income tax	16,018	-
Decrease in deferred tax liabilities	-	(2,263)
Increase in employee benefits	14,377	4,436
Increase/(decrease) in other provisions	62	(267)
Net cash provided by operating activities	<u>288,448</u>	<u>172,811</u>

Note 27. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	<u>74,726</u>	<u>(60,688)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>817,452</u>	<u>817,452</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>817,452</u>	<u>817,452</u>
	Cents	Cents
Basic earnings per share	9.14	(7.42)
Diluted earnings per share	9.14	(7.42)

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Barwon Heads Community Enterprise 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.

Directors' declaration

30 June 2025

In the directors' opinion:

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

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

On behalf of the directors



Damien Patrick O'Malley
Chair

5 September 2025

Independent audit report



Andrew Frewin Stewart
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03 5443 0344

Independent auditor's report to the Directors of Barwon Heads Community Enterprise Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Barwon Heads Community Enterprise 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 Barwon Heads Community Enterprise Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

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



Andrew Frewin Stewart
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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: 5 September 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

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