

Annual Report 2025

Canungra & District
Community Financial
Group Limited

Community Bank
Canungra & District

ABN 14 608 466 628



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Chairperson's report

For year ending 30 June 2025

It is hard to believe that it has been 12 months since I assumed the role of Chairperson taking over from an elite person in Janine. What a hard act to follow but the Board has been up to the challenges.

One major change to our business model was the closure of the Beaudesert Office. Our staff are already seeing some of the benefits of being able to constructively work with the Beaudesert Community by having deeper conversations about the product offerings and how their banking feeds back in to the community through grants and sponsorships e.g. Beaudesert High School major sponsorship.

From a financial standpoint, there were a few interest rate decreases until August 2025 and they have since held steady. This has given some reprieve to mortgage holders and has also provided deposit holders and self-funded retirees with stability in their investments. We welcome shareholders to discuss their banking needs with the staff at the branch as they provide the full suite of banking products including deposits, loans, home loans, equipment finance, insurance, overdrafts, superannuation funds and much more.

The Community Banking model is built around a shared revenue philosophy with the Bendigo Bank and your Community Company sharing revenue on an equal basis. After receipt of our revenue share we then meet costs such as our local employee and rental expenses.

There are shares currently available for sale through the Low Volume Share Market and we are thankful for those shareholders that invested in our Community Bank to enable us to open. If you are interested in purchasing shares, please register your interest online through the following link:

www.bendigobank.com.au/branch/qld/community-bank-canungra-district/lvm-shares/

We continue to keep our eyes on the digitisation of the banking world with interest, however, we want to reiterate that our "bricks and mortar" banking model is integral and we are committed to the needs of our customers (new and existing) and how to make your life more efficient. Although banking is moving more towards an online presence, we understand the importance of "face to face" contact when making some of the most important decisions in your life and our staff are able to undertake appointments at locations convenient to our customers.

Overall, the business "book" of lending and deposits grew in the later part of this year and continues to do so and can only keep growing with the support of the community.

We have had some changes to our staff throughout the past year with Candice Mahoney taking maternity leave to have baby Ted. Her recent decision in continuing with the parent role and not returning to work currently is sad for the branch but understandable for her. We wish her all the very best.

As part of the staff changes, we welcomed Natalie Jones as Branch Manager, Tricia Maginnis - Lending role and Dale Gabolinsky in the Customer Relationship Officer role. We have amazing staff, both past and present, to whom the Board is very appreciative of and for those that are no longer with the business we wish all the very best.

Personally, I also wish to thank all the Board members, those who stepped off the Board but are still volunteering their time to assist in any way. An overview of the Board members is contained in this report. There are currently some vacancies on the Board, so if you are interested, I invite you to become involved. We have been able to support several of our local community groups over the last year including:

- Beaudesert District Orchid & Foliage Society
- Canungra Community Cancer Care
- Moriarty Park / Tennis
- Canungra Golf Club
- Canungra Show
- Canungra AH&I Society

Chairperson's report (continued)

- St Lukes Anglican Church
- Canungra RSL
- Canungra Men's Shed
- Beaudesert Youth & Community Centre
- Tamborine Village Lions
- Canungra State School P&C
- Beaudesert Lions
- Canungra Chamber of Commerce
- Beaudesert Chamber of Commerce
- Tamborine Basketball Association
- to name a few!

The Board is also committed to supporting small businesses in our region that provide products and services that keep our branch running including print, media, cleaning, maintenance, electrical testing, and other works required.

As always (and I think this is every annual report), our continuing service is only made possible with the support of our local Communities.

We, the Board, invite you to not just open an account. We need your full banking including loans and deposits to build your Community Company's business and to deliver on our promise to invest in even more in our Communities.

We sincerely appreciate the support of our Canungra and Beaudesert Communities and look forward to providing *"Good old face to face customer service"* to our region.

Regards

Chris Watkins
Chairperson

Manager's report

For year ending 30 June 2025

It is my pleasure to present the Manager's Report for this year's Annual General Meeting. It has been a year of transition and an opportunity to align strategic strategies to have a successful year in 2026.

Firstly, I would like to extend a very warm welcome to our staff – Dale, Virginia and Trish. Their commitment, enthusiasm, and support have been invaluable throughout the year, and we are very fortunate to have such a dedicated team. I would also like to congratulate Candice on the safe arrival of her beautiful baby boy and wish her all of the best in this new chapter of motherhood.

I would also like to sincerely thank our Board of Directors for their guidance and ongoing commitment. Your leadership and support have played a vital role in ensuring the continued success of our organisation.

This year has seen the closure of the Beaudesert Office, which has provided us with cost savings and a better business focus for the local community. An example of that is the opportunity to give back to the Beaudesert community and partner with the local State High School together with continued support for the Young Driver Awareness program. We have also proudly supported the Lions Club of Beaudesert for the 2024 Swim Shirt Sponsorship, sponsorship for the Beaudesert Bowls Club, Sponsor of the Orchid Show, the 2024 Christmas Carols.

Also, we have been proud to support our community through several sponsorships. These partnerships not only strengthen our connection with the community but also highlight our organisation's values of engagement, support and giving back. Some of the community groups we have supported are Canungra Primary P&C, Canungra Rodeo, Canungra Show, Young Driver Education, Canungra RSL, Community Cancer Care, St Lukes Carols by Torch Light, Canungra Golf Club, Canungra Chamber of Commerce, Tamborine Village Lions club carols, Canungra Bowls, and The Wolves Tamborine Basketball and many more.

Next time you are in the branch – which has had a major facelift recently – have a look at our donation to the community board signalling the injection of funds back into the community being the crux of doing business at Bendigo Canungra.

In closing, I would like to thank everyone who has contributed to making this year a successful one – our staff, our board, our customers and our community. I look forward to building on this strong foundation as we move into the year ahead.

Please come in and see us – say hello and meet our wonderful staff.

Kind Regards

Natalie Jones
Branch Manager

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



COMMUNITY BANK
NATIONAL COUNCIL

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:	Christine Mary Watkins
Title:	Non-executive director
Experience and expertise:	Christine Watkins is a fully Licenced Real Estate Agent, holds an Associate Diploma in Community Services and is a Justice of the Peace. She has previously worked as a Youth Worker, Employment Adviser & trainer for able & disabled job seekers. Christine was a Personal Adviser, Trainer & Customer Service Officer for Centrelink before moving to Real Estate. Christine also has experience running a service station after moving to the area 14 ½ years ago.
Special responsibilities:	Chair
Name:	Jeffery Lewis
Title:	Non-executive director
Experience and expertise:	Jeff has undertaken a number of roles over the years with expertise including business development consultant, auctioneer, business management degree, diploma in automotive management.
Special responsibilities:	Company secretary
Name:	Terry Robert Watkins
Title:	Non-executive director
Experience and expertise:	Terry was formerly a Telstra/Telecom linesman, primary producer, and member of the armed forces. Terry currently owns and operates a service station within the catchment area of the Canungra district. Terry is involved in a number of community groups and is currently 1st Officer Tamborine Rural Fire Brigade.
Special responsibilities:	Audit & Finance Committee
Name:	Catriona Anne Smith
Title:	Non-executive director
Experience and expertise:	Catriona has previously worked as Equine Trainer and Manager and Disability Support Worker. Previously sat on the Board of the Queensland Polo Association. Generally happy getting involved in anything to do with her local community.
Special responsibilities:	Shareholder registry and communication
Name:	Keer Maree Moriarty
Title:	Non-executive director
Experience and expertise:	Keer is owner of Scenic Rim Media, a company that controls The Canungra Times and Beaudesert Bulletin newspapers. She has owned the Canungra Times for over 10 years and started Beaudesert Bulletin in 2020. Keer has a keen interest in both communities and was a member of the steering group that advocated for the community bank in Canungra.
Special responsibilities:	Nil
Name:	Airlie Ruth Worrall
Title:	Non executive director
Experience and expertise:	Executive Director Victorian Farmers Federation, Executive Manager United Dairy Farmers Federation, Senior Adviser Minister for Primary Industries, heritage consultant on Australian manufacturing industries for State Heritage Commission, National Trust and private clients. Academic, Melbourne University Department of History.
Special responsibilities:	Nil

Directors' report (continued)

Name:	Janine Pamela Rockliff (Resigned 7 November 2024)
Title:	Non-executive director
Experience and expertise:	Janine holds a Bachelor of Business (Property Studies) and is a Certified Practising Valuer registered in Queensland, and Associate of the Australian Property Institute and has worked as a property valuer in both the public and private sectors over the past 15 years. Janine was the Chairperson of the Canungra & District Community Bank Project Steering Committee and is an active member in the Chamber of Commerce and a member of the Sports & Recreation Association.
Special responsibilities:	HR/Staff Committee

Company secretary

The company secretary is Jeffery Lewis. Jeffery was appointed to the position of company secretary on 27 January 2022.

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 loss for the company after providing for income tax amounted to \$36,209 (30 June 2024: profit of \$60,462).

Operations have continued to perform in line with expectations.

Dividends

No dividends were declared or paid in the current financial year.

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

During July the company consolidated operations to its Canungra branch and closed the Beaudesert Customer Service Centre.

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

The number of directors' meetings attended by each of the directors' of the company during the financial year were:

	Board Eligible	Attended
Christine Mary Watkins	6	6
Jeffery Lewis	6	6
Terry Robert Watkins	6	6
Catrina Anne Smith	6	6
Keer Maree Moriarty	5	6
Airlie Ruth Worrall	6	6
Janine Pamela Rockliff	2	2

Directors' report (continued)

Directors' benefits

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

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Christine Mary Watkins	5,000	-	5,000
Jeffery Lewis	2,000	-	2,000
Terry Robert Watkins	5,001	-	5,001
Catriona Anne Smith	2,500	-	2,500
Keer Maree Moriarty	1,500	(1,000)	500
Airlie Ruth Worrall	-	1,000	1,000
Janine Pamela Rockliff	2,501	(2,501)	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

Directors' report (continued)

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:

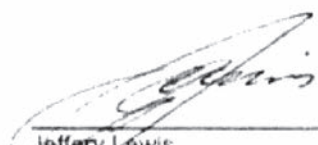
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional 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



Jeffery Lewis
Director

2 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 Canungra & District Community Financial Group Ltd.

As lead auditor for the audit of Canungra & District Community Financial Group Ltd. 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: 2 September 2025

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

Adrian Downing
Lead Auditor

Financial statements

Canungra & District Community Financial Group Ltd. Statement of profit or loss and other comprehensive income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	7	652,980	683,273
Gain on remeasurement of right-of-use assets		11,137	-
Total revenue		<u>664,117</u>	<u>683,273</u>
Employee benefits expense	8	(460,505)	(361,018)
Advertising and marketing costs		(7,634)	(8,487)
Occupancy and associated costs		(10,719)	(8,244)
System costs		(24,641)	(24,715)
Depreciation and amortisation expense	8	(83,998)	(73,558)
Finance costs	8	(14,867)	(16,623)
General administration expenses		(93,350)	(94,237)
Loss on disposal of assets		(1,814)	-
Total expenses before community contributions and income tax expense		<u>(697,528)</u>	<u>(586,882)</u>
Profit/(loss) before community contributions and income tax (expense)/benefit		(33,411)	96,391
Charitable donations and sponsorships expense		<u>(14,357)</u>	<u>(16,501)</u>
Profit/(loss) before income tax (expense)/benefit		(47,768)	79,890
Income tax (expense)/benefit	9	<u>11,559</u>	<u>(19,428)</u>
Profit/(loss) after income tax (expense)/benefit for the year		(36,209)	60,462
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(36,209)</u>	<u>60,462</u>
		Cents	Cents
Basic earnings per share	27	(4.35)	7.26
Diluted earnings per share	27	(4.35)	7.26

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

Financial statements (continued)

Canungra & District Community Financial Group Ltd. Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	34,159	43,929
Trade and other receivables	11	64,364	57,548
Total current assets		<u>98,523</u>	<u>101,477</u>
Non-current assets			
Property, plant and equipment	12	84,083	111,552
Right-of-use assets	13	146,633	297,489
Intangible assets	14	66,218	12,542
Deferred tax assets	9	181,295	169,736
Total non-current assets		<u>478,229</u>	<u>591,319</u>
Total assets		<u>576,752</u>	<u>692,796</u>
Liabilities			
Current liabilities			
Trade and other payables	15	60,090	45,416
Lease liabilities	17	32,735	46,565
Employee benefits	18	16,539	3,253
Total current liabilities		<u>109,364</u>	<u>95,234</u>
Non-current liabilities			
Trade and other payables	15	46,825	-
Lease liabilities	17	139,809	285,731
Employee benefits	18	10,582	6,371
Provisions		18,005	17,084
Total non-current liabilities		<u>215,221</u>	<u>309,186</u>
Total liabilities		<u>324,585</u>	<u>404,420</u>
Net assets		<u>252,167</u>	<u>288,376</u>
Equity			
Issued capital	19	801,863	801,863
Accumulated losses		<u>(549,696)</u>	<u>(513,487)</u>
Total equity		<u>252,167</u>	<u>288,376</u>

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

Financial statements (continued)

Canungra & District Community Financial Group Ltd. Statement of changes in equity For the year ended 30 June 2025

		Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		801,863	(532,316)	269,547
Profit after income tax expense		-	60,462	60,462
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	60,462	60,462
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(41,633)	(41,633)
Balance at 30 June 2024		<u>801,863</u>	<u>(513,487)</u>	<u>288,376</u>
 Balance at 1 July 2024		 801,863	 (513,487)	 288,376
Loss after income tax benefit		-	(36,209)	(36,209)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(36,209)	(36,209)
Balance at 30 June 2025		<u>801,863</u>	<u>(549,696)</u>	<u>252,167</u>

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

Financial statements (continued)

Canungra & District Community Financial Group Ltd. 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)		710,054	777,223
Payments to suppliers and employees (inclusive of GST)		(652,859)	(597,647)
Interest and other finance costs paid		(4)	(201)
Net cash provided by operating activities	26	57,191	179,375
Cash flows from investing activities			
Payments for property, plant and equipment		(5,345)	(41,076)
Payments for intangible assets		(14,189)	(15,102)
Proceeds from disposal of property, plant and equipment		909	-
Net cash used in investing activities		(18,625)	(56,178)
Cash flows from financing activities			
Interest and other finance costs paid		(13,942)	(15,342)
Dividends paid	21	-	(41,633)
Repayment of lease liabilities		(34,394)	(31,463)
Net cash used in financing activities		(48,336)	(88,438)
Net increase/(decrease) in cash and cash equivalents		(9,770)	34,759
Cash and cash equivalents at the beginning of the financial year		43,929	9,170
Cash and cash equivalents at the end of the financial year	10	34,159	43,929

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 Canungra & District Community Financial Group Ltd. (the company) as an individual entity.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office

Shop 1, 44 Christie Street, Canungra Queensland

Principal place of business

Shop 1, 44 Christie Street, Canungra Queensland

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

Note 3. Going Concern

As at 30 June 2025, the company had a working capital deficiency with current liabilities of \$109,364 exceeding current assets of \$98,523. The company also recorded a loss of \$36,209 for the year ended 30 June 2025.

Despite this the directors remain confident in the company's ability to continue as a going concern. The directors note expected cost savings from the closure of the Beaudesert Agency, with a profit anticipated for the 30 June 2026 financial year. There is also access to an overdraft facility with an approved limit of \$25,000. As such, the directors continue to adopt the going concern assumption in the preparation of these financial statements.

Note 4. 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.

Notes to the financial statements (continued)

Note 4. Material accounting policy information (continued)

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 5. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Notes to the financial statements (continued)

Note 5. Critical accounting judgements, estimates and assumptions (continued)

Going concern

At each reporting date management must assess the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Note 6. 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 March 2030.

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.

Notes to the financial statements (continued)

Note 6. Economic dependency (continued)

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

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

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

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

Note 7. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	560,717	589,243
Fee income	40,166	41,980
Commission income	52,097	52,050
	<u>652,980</u>	<u>683,273</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

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 5 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 8. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	399,166	306,781
Superannuation contributions	46,965	34,296
Expenses related to long service leave	1,828	632
Other expenses	12,546	19,309
	<u>460,505</u>	<u>361,018</u>

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	18,835	9,279
Plant and equipment	3,500	2,552
Motor vehicles	7,756	7,522
	<u>30,091</u>	<u>19,353</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>36,636</u>	<u>34,458</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	5,378	6,621
Franchise renewal process fee	11,893	10,602
Rights to revenue share	-	2,524
	<u>17,271</u>	<u>19,747</u>
	<u>83,998</u>	<u>73,558</u>

Finance costs

	2025 \$	2024 \$
Other interest paid or accrued	4	201
Lease interest expense	13,942	15,342
Unwinding of make-good provision	921	1,080
	<u>14,867</u>	<u>16,623</u>

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

Leases recognition exemption

	2025 \$	2024 \$
Expenses relating to low-value leases	<u>8,414</u>	<u>8,414</u>

Notes to the financial statements (continued)

Note 9. Income tax

	2025 \$	2024 \$
<i>Income tax expense/(benefit)</i>		
Movement in deferred tax	(11,559)	(2,090)
Under/over adjustment in respect for prior periods	-	(1,518)
Recoupment of prior year tax losses	-	23,036
	<u>(11,559)</u>	<u>19,428</u>
<i>Aggregate income tax expense/(benefit)</i>		
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax (expense)/benefit	<u>(47,768)</u>	<u>79,890</u>
Tax at the statutory tax rate of 25%	(11,942)	19,973
Tax effect of:		
Non-deductible expenses	<u>383</u>	<u>973</u>
	(11,559)	20,946
Under/over adjustment in respect for prior periods	-	(1,518)
Income tax expense/(benefit)	<u>(11,559)</u>	<u>19,428</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Provision for lease make good	4,501	4,271
Accrued expenses	1,175	1,050
Lease liabilities	43,136	83,074
Right-of-use assets	(36,658)	(74,372)
Employee provisions	6,780	2,406
Carried-forward tax losses	159,137	153,696
Property, plant and equipment	4,287	743
Prepayments	<u>(1,063)</u>	<u>(1,132)</u>
Deferred tax asset	<u>181,295</u>	<u>169,736</u>

Accounting policy for income tax

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

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	<u>34,159</u>	<u>43,929</u>

Notes to the financial statements (continued)

Note 11. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	54,608	45,822
Other receivables	5,500	7,200
Prepayments	4,256	4,526
	<u>9,756</u>	<u>11,726</u>
	<u>64,364</u>	<u>57,548</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 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	124,368	139,110
Less: Accumulated depreciation	(69,634)	(65,541)
	<u>54,734</u>	<u>73,569</u>
Plant and equipment - at cost	77,479	95,528
Less: Accumulated depreciation	(71,629)	(88,800)
	<u>5,850</u>	<u>6,728</u>
Motor vehicles - at cost	38,777	38,777
Less: Accumulated depreciation	(15,278)	(7,522)
	<u>23,499</u>	<u>31,255</u>
	<u>84,083</u>	<u>111,552</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 \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	82,848	6,981	-	89,829
Additions	-	2,299	38,777	41,076
Depreciation	(9,279)	(2,552)	(7,522)	(19,353)
Balance at 30 June 2024	73,569	6,728	31,255	111,552
Additions	-	5,345	-	5,345
Disposals	-	(2,723)	-	(2,723)
Depreciation	(18,835)	(3,500)	(7,756)	(30,091)
Balance at 30 June 2025	<u>54,734</u>	<u>5,850</u>	<u>23,499</u>	<u>84,083</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.

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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	15 years
Plant and equipment	1 to 13 years
Motor vehicles	5 years

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

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

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

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	337,070	451,290
Less: Accumulated depreciation	(190,437)	(153,801)
	<u>146,633</u>	<u>297,489</u>

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	313,085
Remeasurement adjustments	18,862
Depreciation expense	<u>(34,458)</u>
Balance at 30 June 2024	297,489
Remeasurement adjustments	(114,220)
Depreciation expense	<u>(36,636)</u>
Balance at 30 June 2025	<u>146,633</u>

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.

Notes to the financial statements (continued)

Note 14. Intangible assets

	2025 \$	2024 \$
Rights to revenue share	12,623	12,623
Less: Accumulated amortisation	(12,623)	(12,623)
	-	-
Franchise fee	46,893	35,068
Less: Accumulated amortisation	(35,856)	(30,478)
	11,037	4,590
Franchise renewal fee	94,463	35,341
Less: Accumulated amortisation	(39,282)	(27,389)
	55,181	7,952
Establishment fee	100,000	100,000
Less: Accumulated amortisation	(100,000)	(100,000)
	-	-
	66,218	12,542

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	2,524	6,711	18,554	27,789
Additions	-	4,500	-	4,500
Amortisation expense	(2,524)	(6,621)	(10,602)	(19,747)
Balance at 30 June 2024	-	4,590	7,952	12,542
Additions	-	11,825	59,122	70,947
Amortisation expense	-	(5,378)	(11,893)	(17,271)
Balance at 30 June 2025	-	11,037	55,181	66,218

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term	March 2030
Rights to revenue share	Straight-line	5 years	June 2024
Franchise renewal fee	Straight-line	5 years	March 2030

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

Notes to the financial statements (continued)

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	20,591	1,259
Other payables and accruals	39,499	44,157
	<u>60,090</u>	<u>45,416</u>
<i>Non-current liabilities</i>		
Other payables and accruals	46,825	-
	<u>46,825</u>	<u>-</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	106,915	45,416
less other payables and accruals (net GST payable to the ATO)	(11,645)	(7,776)
	<u>95,270</u>	<u>37,640</u>

Note 16. Borrowings

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2025 \$	2024 \$
Total facilities		
Bank overdraft	25,000	50,000
Used at the reporting date		
Bank overdraft	-	-
Unused at the reporting date		
Bank overdraft	25,000	50,000

Bank overdraft

The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets. The lender intends to reduce the overdraft facility within the next 12 months, however the company will continue to assess the need for one as the profitability and cash position continue to improve.

Note 17. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	32,735	46,565
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	139,809	285,731

Notes to the financial statements (continued)

Note 17. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	332,296	345,431
Remeasurement adjustments	(125,358)	18,328
Lease interest expense	13,942	15,342
Lease payments - total cash outflow	(48,336)	(46,805)
	<u>172,544</u>	<u>332,296</u>

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
Canungra Branch	5.39%	5 years	1 x 5 years	Yes	September 2031
Beaudesert	7.26%	2 months	N/A	N/A	July 2025
Customer Service Centre					

Remeasurement adjustments

During the financial year the monthly rent amount for Canungra branch lease increased, while the Beaudesert Customer Service Centre lease concluded early due to closure. As such an adjustment was required for the remeasurement of the lease liability and right-of-use asset.

Note 18. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	<u>16,539</u>	<u>3,253</u>
<i>Non-current liabilities</i>		
Long service leave	<u>10,582</u>	<u>6,371</u>

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.

Notes to the financial statements (continued)

Note 18. Employee benefits (continued)

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	832,660	832,660	832,660	832,660
Less: Equity raising costs	-	-	(30,797)	(30,797)
	<u>832,660</u>	<u>832,660</u>	<u>801,863</u>	<u>801,863</u>

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.

Notes to the financial statements (continued)

Note 19. Issued capital (continued)

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 160. As at the date of this report, the company had 284 shareholders (2024: 284 shareholders).

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

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

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

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

Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

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 \$
Unfranked dividend of nil cents per share (2024: 5 cents)	-	41,633

Notes to the financial statements (continued)

Note 22. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, 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 (note 11)	54,608	45,822
Cash and cash equivalents (note 10)	34,159	43,929
	<u>88,767</u>	<u>89,751</u>
Financial liabilities		
Trade and other payables (note 15)	95,270	37,640
Lease liabilities (note 17)	172,544	332,296
	<u>267,814</u>	<u>369,936</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

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.

Price risk

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

Liquidity risk

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	2025 \$	2024 \$
Bank overdraft	25,000	50,000

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	48,445	46,825	-	95,270
Lease liabilities	33,501	128,188	40,059	201,748
Total non-derivatives	81,946	175,013	40,059	297,018

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	37,640	-	-	37,640
Lease liabilities	47,594	190,377	159,807	397,778
Total non-derivatives	85,234	190,377	159,807	435,418

Note 23. Key management personnel disclosures

The following persons were directors of Canungra & District Community Financial Group Ltd. during the financial year and/or up to the date of signing of these Financial Statements.

Christine Mary Watkins
Jeffery Lewis
Terry Robert Watkins
Catriona Anne Smith

Keer Maree Moriarty
Airlie Ruth Worrall
Janine Pamela Rockliff (Resigned 7 November 2024)

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.

Notes to the financial statements (continued)

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.

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Keer Moriarty's company, Scenic Rim Media Pty Ltd, which controls the Canungra Times and Beaudesert Bulletin newspapers provided advertising and printing/photocopying.	6,143	8,757
The company made a donation to Community Cancer Inc. which is a related party of a director	-	600
The company made a donation to Canungra Show Society which is a related party of a director.	-	1,091
The company made a donation to Beaudesert District Orchid & Foliage Society which is a related party of a director.	-	240

Note 25. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,400	6,450
<i>Other services</i>		
Taxation advice and tax compliance services	290	900
General advisory services	4,015	3,170
Share registry services	4,465	6,218
	8,770	10,288
	<u>16,170</u>	<u>16,738</u>

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	(36,209)	60,462
Adjustments for:		
Depreciation and amortisation	83,998	73,558
Net loss on disposal of non-current assets	1,814	-
Gain on remeasurement of right-of-use assets	(11,137)	-
Lease liability interest	13,942	15,342
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(6,816)	17,386
Decrease/(increase) in deferred tax assets	(11,559)	19,428
Increase/(decrease) in trade and other payables	4,740	(4,499)
Increase/(decrease) in employee benefits	17,497	(3,177)
Increase in other provisions	921	875
Net cash provided by operating activities	<u>57,191</u>	<u>179,375</u>

Note 27. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	<u>(36,209)</u>	<u>60,462</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>832,660</u>	<u>832,660</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>832,660</u>	<u>832,660</u>
	Cents	Cents
Basic earnings per share	(4.35)	7.26
Diluted earnings per share	(4.35)	7.26

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Canungra & District Community Financial Group Ltd., 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

During July the company consolidated operations to its Canungra branch and closed the Beaudesert Customer Service Centre.

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

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


Jeffery Lewis
Director

2 September 2025

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Canungra & District Community Financial Group Ltd.

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Canungra & District Community Financial Group Ltd., 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 Canungra & District Community Financial Group Ltd. (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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which highlights that the company incurred a \$36,209 loss during the year and current liabilities of \$109,364 exceeding current assets of \$98,523. These conditions, along with other matters disclosed in Note 3, indicate the existence of a material uncertainty that could cast significant doubt on the company's ability to continue as a going concern. However, as outlined in Note 3, the directors have reasonable expectation the entity will continue as a going concern. Consequently, the financial statements have been prepared on a going concern basis. Our review conclusion is not modified in relation to this matter.



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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.

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.

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