

Annual Report 2025

Coolalinga & Districts
Community Finance Limited

Community Bank
Coolalinga & Districts

ABN 24 117 500 455

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Chairman's report

For year ending 30 June 2025

Well, last year I reported that Community Bank Coolalinga & Districts had given \$1.5 million back to projects and events in our local Community – this year I am proud to report we have now reached the grand total of \$1.7 million! Well done to all our customers and supporters for making our Branch such a great success in our rural area.

We continued our annual charity golf day, with great support from the Humpty Doo Golf Club, and this year were proud to present Veterans NT with a cheque for \$8,000.

Other larger donations were made to:

- Marrakai Progress Association - for the installation of a disabled toilet facility
- Southern District Cricket Club - for a streaming facility for their games
- Rural Potters – assistance with their move to new premises at Humpty Doo Village Green
- NT Polocrosse – assistance with their 2024 championships
- Riding for the Disabled – assistance with horse maintenance costs
- Assistance to our local Volunteer Fire Brigades
- Ongoing season sponsorships to most of the sporting groups in our rural area.

This year we welcomed Kezia Purich to our Board after she retired from her longstanding role as the independent MLA for Goyder – welcome aboard Kezia – I'm sure she will bring a wealth of local knowledge and experience to our team.

Sadly, we farewelled Board member Jim Leach during the year due to his heavy rural commitments.

As we now move into our next financial year, I think we can all think positively about the contribution we all make as a team to our rural area – well done and keep spreading the word.



Jan Young
Chairman

Manager's report

For year ending 30 June 2025

It is with pleasure that I submit the Branch Manager's report for Community Bank Coolalinga & Districts.

The 2024/25 year has again been an amazingly busy time with our customer numbers increasing by 284 which has taken our total customer number to 4,668. We have also been able to help our clients reach their goals and assist in their financial security resulting in funds under management growing by a further \$25 million.

This is the fourth year of consistent growth for Community Bank Coolalinga & Districts which has seen our FUM reach \$208 million – a \$120 million increase over the past five years. Another very pleasing part of this story is the way the team has concentrated on adding value to our customer's banking experience resulting in all aspects of the business having good growth.

Our continued aim for the coming financial year is to focus on providing excellent customer service and making a focussed effort on building relationships within our community and establishing a mutually beneficial partnership where we can all prosper. The more we grow the business, the more we can contribute to the community, which is our main focus.

My sincere thanks to our shareholders, our passionate and hardworking Board, our loyal customers and the fantastic branch team. With your continued support and through our relationships with our community groups I am looking forward to a prosperous and enjoyable 2025/26.



Steve Buethke
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

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:	Janice Susan Young
Title:	Executive director
Experience and expertise:	Business Diploma majoring in Law and Economics, HR Certificate, Property Management Certificate (NT), Certificate in Financial Planning, various short course management certificates. Jan worked as the Marketing Manager, Wharf Precinct Manager and Cruise ship Manager for the Darwin Port Corporation for 23 years. As a life member of Tourism Top End, she has served on their Board for over 10 years and actively been involved in many major tourism projects within the NT, nationally and internationally. She has also served as President of the Darwin SKAL tourism group on three occasions and is currently an Ambassador for SKAL International. Jan is currently Chairman of the Board, having held the position for 8 years. She also provides part-time administrative services to the Board.
Special responsibilities:	Chair, member of all committees
Name:	Deane Henry Walkey
Title:	Non-executive director
Experience and expertise:	Associate Diploma of Electrical Engineering. M.D of three private companies/Public Officer. 15 years of owning three businesses. 12 years in Commonwealth Department of Aviation.
Special responsibilities:	Treasurer, Share Secretary
Name:	Natalie Yvette Bell
Title:	Non-executive director
Experience and expertise:	A born and bred Territorian, Natalie has strong local knowledge and sound business networks with more than ten years' experience working in government, private and not-for-profit sectors. Following completion of her Bachelor degrees from UniSA in Marketing & International Studies, as well as a Bachelor of European Business from France, Natalie returned to Darwin to pursue a career in public relations and events management. Over the last ten years she has held positions in marketing, events and public relations. Prior to joining Associated Advertising & Promotions as the Marketing, PR & Events Manager, she was the Media and Communications Manager for the NT Police Task Force Themis and previously managed a large portfolio of events and sponsorships for TIO. Natalie has previously lectured in PR at CDU and is the recipient of numerous event industry awards, including the National Winner of the 2012 Future Leader Award and National Winner in 2015 for Public Event of the Year from Meetings & Events Australia. Natalie is currently completing a Masters degree in Public Relations. Natalie is a strong supporter of the local community and has actively been involved as a committee member and director for numerous not for profit organisations and sporting clubs. Natalie is also a Board Member of the Chamber of Commerce NT and a Committee Member of the Urban Development Institute of Australia (NT)
Special responsibilities:	Company Secretary
Name:	Kirstine Louise Cossens
Title:	Non-executive director
Experience and expertise:	Kirstine is an Operations Manager. She holds Master of International and Community Development. Bachelor of Social Science. Diploma of Business (Governance).
Special responsibilities:	Nil

Directors' report (continued)

Name:	Maree Hyacinth Bredhauer
Title:	Non-executive director
Experience and expertise:	Mayor - Litchfield Municipality. Executive Manager - Early Childhood Australia NT. Director - NT Education, Early Childhood Education & Care. School Principal - NT Education, various schools. Board Member - Australian Children's Education & Care Quality Authority (ACECQA).
Special responsibilities:	Governance & Audit and Business Development
Name:	Kezia Dorcas Tibisay Purick
Title:	Non-executive director (appointed 30 October 2024)
Experience and expertise:	Bachelor of Commerce - University of Western Australia. Previously Member for Goyder 2008-2024, Northern Territory Legislative Assembly including holding the role of Speaker from 2012-2020. Justice of the Peace.
Special responsibilities:	Nil
Name:	Jim Leach
Title:	Non-executive director (resigned 2 April 2025)
Experience and expertise:	Joined the Board in March 2023. Semi-retired with proven management skills in both the hospitality and varied business fields. Lives 24km south of Batchelor, a long term Territory resident with an understanding of climatic and distance issues in our region. He is active in the Hash House Harriers and the Field & Game Association of Australia and was an active member of Rotary for 13 years. Jim enjoys working and interacting with other people and looks forward to strengthening his knowledge of community banking and its impact on our local community.
Special responsibilities:	Nil

Company secretary

The company secretary is Natalie Yvette Bell. Natalie was appointed to the position of company secretary on 1 October 2018.

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 \$109,518 (30 June 2024: loss of \$19,425).

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 10 cents per share (2024: 10 cents)	80,001	80,001

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.

Directors' report (continued)

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:

	Eligible	Board Attended
Janice Susan Young	11	11
Deane Henry Walkey	11	11
Natalie Yvette Bell	11	6
Kirstine Louise Cossens	11	6
Maree Hyacinth Bredhauer	11	8
Kezia Dorcas Tibusay Purick	8	5
Jim Leach	7	5

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

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 and note 23 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
Janice Susan Young	6,001	-	6,001
Deane Henry Walkey	600	-	600
Natalie Yvette Bell	1,000	-	1,000
Kirstine Louise Cossens	16,000	-	16,000
Maree Hyacinth Bredhauer	2,000	-	2,000
Kezia Dorcas Tibusay Purick	-	-	-
Jim Leach	4,000	-	4,000

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.

Directors' report (continued)

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 24 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



Janice Susan Young
Chair

15 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 Coolalinga & Districts Community Finance Limited

As lead auditor for the audit of Coolalinga & Districts Community Finance 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: 15 September 2025

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

Adrian Downing
Lead Auditor

Financial statements

Coolalinga & Districts Community Finance 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	1,707,668	1,522,355
Other revenue		4,135	16,649
Finance revenue		23,471	27,024
Total revenue		<u>1,735,274</u>	<u>1,566,028</u>
Employee benefits expense	7	(1,052,042)	(959,616)
Advertising and marketing costs		(46,153)	(39,709)
Occupancy and associated costs		(51,357)	(37,475)
System costs		(27,485)	(22,153)
Depreciation and amortisation expense	7	(141,722)	(139,635)
Finance costs		(38,142)	(24,149)
General administration expenses		(149,978)	(135,882)
Total expenses before community contributions and income tax expense		<u>(1,506,879)</u>	<u>(1,358,619)</u>
Profit before community contributions and income tax expense		228,395	207,409
Charitable donations and sponsorships expense		<u>(79,983)</u>	<u>(233,393)</u>
Profit/(loss) before income tax		148,412	(25,984)
Income tax	8	<u>(38,894)</u>	<u>6,559</u>
Profit/(loss) after income tax for the year		109,518	(19,425)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>109,518</u></u>	<u><u>(19,425)</u></u>
		Cents	Cents
Basic earnings per share	26	13.69	(2.43)
Diluted earnings per share	26	13.69	(2.43)

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

Financial statements (continued)

Coolalinga & Districts Community Finance Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	94,096	89,347
Trade and other receivables	10	160,595	157,137
Investments	11	574,714	426,243
Current tax assets	8	-	37,150
Total current assets		<u>829,405</u>	<u>709,877</u>
Non-current assets			
Property, plant and equipment	12	360,984	361,879
Right-of-use assets	13	444,053	482,215
Intangible assets	14	15,314	28,442
Deferred tax assets	8	46,704	26,787
Total non-current assets		<u>867,055</u>	<u>899,323</u>
Total assets		<u>1,696,460</u>	<u>1,609,200</u>
Liabilities			
Current liabilities			
Trade and other payables	15	67,708	51,144
Lease liabilities	16	81,478	78,345
Current tax liabilities	8	32,325	-
Employee benefits	17	131,806	81,274
Total current liabilities		<u>313,317</u>	<u>210,763</u>
Non-current liabilities			
Trade and other payables	15	-	15,710
Lease liabilities	16	407,382	437,263
Employee benefits	17	39,126	40,373
Provisions		29,053	27,026
Total non-current liabilities		<u>475,561</u>	<u>520,372</u>
Total liabilities		<u>788,878</u>	<u>731,135</u>
Net assets		<u>907,582</u>	<u>878,065</u>
Equity			
Issued capital	18	765,550	765,550
Retained earnings		<u>142,032</u>	<u>112,515</u>
Total equity		<u>907,582</u>	<u>878,065</u>

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

Financial statements (continued)

Coolalinga & Districts Community Finance 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		765,550	211,941	977,491
Profit after income tax expense		-	(19,425)	(19,425)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(19,425)	(19,425)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(80,001)	(80,001)
Balance at 30 June 2024		<u>765,550</u>	<u>112,515</u>	<u>878,065</u>
Balance at 1 July 2024		765,550	112,515	878,065
Loss after income tax expense		-	109,518	109,518
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	109,518	109,518
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(80,001)	(80,001)
Balance at 30 June 2025		<u>765,550</u>	<u>142,032</u>	<u>907,582</u>

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

Financial statements (continued)

Coolalinga & Districts Community Finance 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)		1,875,255	1,678,120
Payments to suppliers and employees (inclusive of GST)		(1,513,568)	(1,552,777)
Interest received		23,471	27,024
Income taxes refunded/(paid)		10,664	(130,001)
Net cash provided by operating activities	25	395,822	22,366
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(148,471)	234,820
Payments for property, plant and equipment		(90,274)	(151,623)
Payments for intangible assets		(14,282)	(14,282)
Proceeds from disposal of property, plant and equipment		24,545	20,000
Net cash provided by/(used in) investing activities		(228,482)	88,915
Cash flows from financing activities			
Interest and other finance costs paid		(36,115)	(22,311)
Dividends paid	20	(80,001)	(80,001)
Repayment of lease liabilities		(46,475)	(57,111)
Net cash used in financing activities		(162,591)	(159,423)
Net increase/(decrease) in cash and cash equivalents		4,749	(48,142)
Cash and cash equivalents at the beginning of the financial year		89,347	137,489
Cash and cash equivalents at the end of the financial year	9	94,096	89,347

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 Coolalinga & Districts Community Finance Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 18, 460 Stuart Highway, Coolalinga NT.

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

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of non-financial assets

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

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

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

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

Notes to the financial statements (continued)

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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.

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 September 2026.

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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,497,054	1,326,070
Fee income	81,149	77,195
Commission income	129,465	119,090
	<u>1,707,668</u>	<u>1,522,355</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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	888,222	781,048
Non-cash benefits	256	148
Superannuation contributions	97,824	84,718
Expenses related to long service leave	24,372	35,175
Other expenses	41,368	58,527
	<u>1,052,042</u>	<u>959,616</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	30,995	31,519
Plant and equipment	9,589	10,284
Motor vehicles	30,121	26,220
	<u>70,705</u>	<u>68,023</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>57,889</u>	<u>57,392</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,188	2,370
Franchise renewal fee	10,940	11,850
	<u>13,128</u>	<u>14,220</u>
	<u>141,722</u>	<u>139,635</u>

Finance costs

	2025 \$	2024 \$
Lease interest expense	36,115	22,310
Unwinding of make-good provision	2,027	1,839
	<u>38,142</u>	<u>24,149</u>

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

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	<u>79,983</u>	<u>233,393</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).

Notes to the financial statements (continued)

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense/(benefit)</i>		
Current tax	58,811	15,822
Movement in deferred tax	(19,917)	(21,183)
Under/over adjustment	-	(1,198)
Aggregate income tax expense/(benefit)	<u>38,894</u>	<u>(6,559)</u>
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax	<u>148,412</u>	<u>(25,984)</u>
Tax at the statutory tax rate of 25%	37,103	(6,496)
Tax effect of:		
Non-deductible expenses	<u>1,791</u>	<u>1,135</u>
	38,894	(5,361)
Under/over adjustment	-	(1,198)
Income tax expense/(benefit)	<u>38,894</u>	<u>(6,559)</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	42,989	30,743
Provision for lease make good	7,263	6,757
Accrued expenses	-	48
Lease liabilities	122,215	128,902
Income accruals	(571)	(572)
Property, plant and equipment	(14,179)	(18,537)
Right-of-use assets	(111,013)	(120,554)
Deferred tax asset	<u>46,704</u>	<u>26,787</u>
	2025 \$	2024 \$
Income tax refund due	<u>-</u>	<u>37,150</u>
	2025 \$	2024 \$
Provision for income tax	<u>32,325</u>	<u>-</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Notes to the financial statements (continued)

Note 8. Income tax (continued)

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	94,096	89,347

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	144,512	141,103
Accrued income	2,285	2,285
Prepayments	13,798	13,749
	16,083	16,034
	160,595	157,137

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	574,714	426,243

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	481,189	448,029
Less: Accumulated depreciation	(258,396)	(227,401)
	222,793	220,628
Plant and equipment - at cost	237,743	236,515
Less: Accumulated depreciation	(214,422)	(204,833)
	23,321	31,682
Motor vehicles - at cost	160,234	145,890
Less: Accumulated depreciation	(45,364)	(36,321)
	114,870	109,569
	360,984	361,879

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	206,665	31,726	49,697	288,088
Additions	45,482	10,240	95,901	151,623
Disposals	-	-	(9,809)	(9,809)
Depreciation	(31,519)	(10,284)	(26,220)	(68,023)
Balance at 30 June 2024	220,628	31,682	109,569	361,879
Additions	33,160	1,228	55,886	90,274
Disposals	-	-	(20,464)	(20,464)
Depreciation	(30,995)	(9,589)	(30,121)	(70,705)
Balance at 30 June 2025	<u>222,793</u>	<u>23,321</u>	<u>114,870</u>	<u>360,984</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 40 years
Plant and equipment	2.5 to 40 years
Motor vehicle	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	769,862	750,135
Less: Accumulated depreciation	(325,809)	(267,920)
	<u>444,053</u>	<u>482,215</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	29,115
Remeasurement adjustments	510,492
Depreciation expense	(57,392)
	<u>482,215</u>
Balance at 30 June 2024	482,215
Remeasurement adjustments	19,727
Depreciation expense	(57,889)
	<u>444,053</u>
Balance at 30 June 2025	<u>444,053</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 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	43,685	43,685
Less: Accumulated amortisation	(41,133)	(38,945)
	<u>2,552</u>	<u>4,740</u>
Franchise renewal fee	168,425	168,425
Less: Accumulated amortisation	(155,663)	(144,723)
	<u>12,762</u>	<u>23,702</u>
	<u>15,314</u>	<u>28,442</u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	7,110	35,552	42,662
Amortisation expense	(2,370)	(11,850)	(14,220)
	<u>4,740</u>	<u>23,702</u>	<u>28,442</u>
Balance at 30 June 2024	4,740	23,702	28,442
Amortisation expense	(2,188)	(10,940)	(13,128)
	<u>2,552</u>	<u>12,762</u>	<u>15,314</u>
Balance at 30 June 2025	<u>2,552</u>	<u>12,762</u>	<u>15,314</u>

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

Accounting policy for intangible assets

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

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

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

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

<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)	September 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	September 2026

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

Note 15. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	4,818	-
Other payables and accruals	62,890	51,144
	<u>67,708</u>	<u>51,144</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	15,710
	<u>-</u>	<u>15,710</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	62,890	66,854
Less GST payable to the ATO, included in trade and other	(32,285)	(17,707)
	<u>30,605</u>	<u>49,147</u>

Note 16. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	81,478	78,345
	<u>81,478</u>	<u>78,345</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	407,382	437,263
	<u>407,382</u>	<u>437,263</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	515,608	38,534
Remeasurement adjustments	19,727	534,185
Lease interest expense	36,115	22,311
Lease payments - total cash outflow	(82,590)	(79,422)
	<u>488,860</u>	<u>515,608</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
Coolalinga Branch	7.50%	3 years	2 x 3 years	Yes	December 2032

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	71,177	46,264
Long service leave	60,629	35,010
	<u>131,806</u>	<u>81,274</u>
<i>Non-current liabilities</i>		
Long service leave	<u>39,126</u>	<u>40,373</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 expected when the leave is taken and is measured at the rates paid or payable.

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.

Notes to the financial statements (continued)

Note 17. Employee benefits (continued)

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

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	800,011	800,011	800,011	800,011
Less: Equity raising costs	-	-	(34,461)	(34,461)
	<u>800,011</u>	<u>800,011</u>	<u>765,550</u>	<u>765,550</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 18. 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 330. As at the date of this report, the company had 354 shareholders (2024: 356 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 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the financial statements (continued)

Note 20. 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 10 cents per share (2024: 10 cents)	80,001	80,001
Franking credits		
	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	150,798	47,464
Franking credits (debits) arising from income taxes paid (refunded)	(10,664)	130,001
Franking debits from the payment of franked distributions	(26,667)	(26,667)
Franking account balance at the end of the financial year	113,467	150,798
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	113,467	150,798
Franking credits (debits) that will arise from payment (refund) of income tax	32,325	(37,150)
Franking credits available for future reporting periods	145,792	113,648

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 21. 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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables excluding prepayments (note 10)	132,999	129,639
Cash and cash equivalents (note 9)	94,096	89,347
Investments (note 11)	574,714	426,243
	<u>801,809</u>	<u>645,229</u>
Financial liabilities at amortised cost		
Trade and other payables (note 15)	30,605	49,147
Lease liabilities (note 16)	488,860	515,608
	<u>519,465</u>	<u>564,755</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, 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 then 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 \$94,096 and term deposits of \$574,714 at 30 June 2025 (2024: \$89,347 and \$426,243).

Price risk

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

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	35,423	-	-	35,423
Lease liabilities	84,218	336,872	210,545	631,635
Total non-derivatives	119,641	336,872	210,545	667,058
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	33,437	15,710	-	49,147
Lease liabilities	80,979	323,916	283,426	688,321
Total non-derivatives	114,416	339,626	283,426	737,468

Note 22. Key management personnel disclosures

The following persons were directors of Coolalinga & Districts Community Finance Limited during the financial year and up to the date of signing of these Financial Statements.

Janice Susan Young
Deane Henry Walkey
Natalie Yvette Bell
Kirstine Louise Cossens

Maree Hyacinth Bredhauer
Kezia Dorcas Tibisay Purick
Jim Leach

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	24,680	20,960
Post-employment benefits	2,838	2,306
	<u>27,518</u>	<u>23,266</u>

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

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.

Notes to the financial statements (continued)

Note 23. Related party transactions (continued)

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 \$
During the period under review Janice Young was remunerated for performing administration duties. The total benefit received was:	80,360	78,901

Note 24. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	7,030
<i>Other services</i>		
Taxation advice and tax compliance services	1,124	1,120
General advisory services	4,700	4,685
Share registry services	7,349	5,878
	13,173	11,683
	21,103	18,713

Note 25. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit/(loss) after income tax for the year	109,518	(19,425)
Adjustments for:		
Depreciation and amortisation	141,722	139,635
Net gain on disposal of non-current assets	(4,081)	(10,191)
Lease liabilities interest	36,115	22,311
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,458)	(7,324)
Decrease/(increase) in income tax refund due	37,150	(37,150)
Increase in deferred tax assets	(19,917)	(21,183)
Increase/(decrease) in trade and other payables	15,136	(16,946)
Increase/(decrease) in provision for income tax	32,325	(78,227)
Increase in employee benefits	49,285	49,182
Increase in other provisions	2,027	1,684
Net cash provided by operating activities	395,822	22,366

Notes to the financial statements (continued)

Note 26. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	109,518	(19,425)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	800,011	800,011
Weighted average number of ordinary shares used in calculating diluted earnings per share	800,011	800,011
	Cents	Cents
Basic earnings per share	13.69	(2.43)
Diluted earnings per share	13.69	(2.43)

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. 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



Janice Susan Young
Chair

15 September 2025

Independent audit report



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

Independent auditor's report to the Directors of Coolalinga & Districts Community Finance Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Coolalinga & Districts Community Finance 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 Coolalinga & Districts Community Finance 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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ABN: 65 684 604 390
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03 5443 0344

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2025

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

Adrian Downing
Lead Auditor

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