

Annual Report 2025

Fassifern Valley Community
Enterprises Ltd

Community Bank
Kalbar & District

ABN 38 138 533 810



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Chairman's report

For year ending 30 June 2025

It is a pleasure to present the 15th Annual Report to our shareholders, detailing our activities for the previous financial year. The story of Community Bank Kalbar and District is a continuing successful one and your Board are happy to report on a year of successful trading.

Once again, the Scenic Rim and Fassifern Valley have continued to be a destination of choice for many individuals, couples and businesses who wish to be part of this progressive area. This area is seen as one that has country living and the benefits associated with that, while only a relatively short distance from Brisbane, Gold Coast, and many tourist destinations. Community Bank Kalbar and District continues to be lender of choice for many who wish to settle here, due in no small part to the great staff and the recognition that our Branch can offer all that the bigger banks can.

Our staff are led by Manager Elise. They all live locally and present a friendly and efficient face to potential customers. The team of Clint, Brooke, Amy, Jodie, Joanne and Jasmin continue to offer personal service, while other banks appear to be more inclined to work from a distance through less banking presence in the area they serve. Matt Cullen continues to service customers seeking business loans over \$200,000 in his role as Senior Business Relations Manager.

I am pleased to note that lending for the year increased by \$8 Million to \$62 Million. Deposits saw a growth of \$18.7 Million to \$85 Million. This gives us an increase in footings (a combination of loans and savings) up to \$147 Million, a very pleasing result. Your Community Bank has lived up to its desire to contribute locally with the provision of \$52,000 to local groups this year with \$412,000 donated since inception 15 years ago.

Our board continues to oversee the affairs of Community Bank Kalbar and District with members having varying skills and talents to contribute. Mike Weekes continues as Company Secretary, Paul FitzGerald as Treasurer, both competently and effectively. Heather Wehl continues as Minute Secretary and the minutes magically appear on hand when required - thanks Heather! Heather McInnes and Brooke Clarke recently attended the Community Bank National Conference in Canberra. These events are always a great learning occasion where representatives from around Australia gather to network.

The Board has seen fit to present an 8% dividend to our shareholders. This indicates that we are progressing satisfactorily so we feel shareholders and residents can be confident to expect further pleasing outcomes for the coming year, and the Board confidently looks forward to a successful 2025-2026.

Best wishes to all in their endeavours for the year.



David Roderick
Chairman

Manager's report

For year ending 30 June 2025

I am delighted to deliver this report for Community Bank Kalbar & District for the financial year ending 30 June 2025.

After wrapping up another outstanding financial year, it's a great opportunity to reflect on our challenges, recognise our achievements and celebrate our wins. As we adapt to the changing ways in which we connect with our customers and shareholders, we believe the key to our long-term success is by strengthening our relationships. Our aim as a branch is to exceed our customers' expectations and experiences by understanding their holistic financial goals and then assisting them to execute this by partnering with them through life.

While we organically respond to the fluctuating behaviours of the banking world, we continue to look for ways to support and deliver on our commitments and values. We have embedded a disciplined approach around our risk culture which enables us to offer a safer and more vigilant environment through enabling, educating and informing our customers.

Our growing customer numbers are testament to our increasing market share as we proudly stand by the title of Australia's most trusted bank. Our customer base once again grew as we welcomed over 100 new customers to our branch, taking our total customer count to 2037 individuals at the end of June 30. Achieving the right balance of acquiring new and retaining existing customers can be attributed to the skilled staff that apply a genuine level of customer service each and every day.

Platform and policy enhancements have streamlined our lending capabilities, strengthening our position in home lending. Market leading product features, as well as a very competent in branch team, saw a total of 54 new home loans settled this financial year with a lending YTD growth position of \$8,483,230. Despite extremely competitive outside noise, our deposits remained strong, increasing by \$18,749,002, contributing to a combined book size of just under \$148,000,000. This has not only positioned us well for the future but indicates our community is engaged with us and making Bendigo Bank their bank of choice.

	JUNE 2025	JUNE 2024	YTD GROWTH
DEPOSITS	\$85,382,931	\$66,633,930	+ \$18,749,002
LOANS	\$62,144,361	\$53,661,131	+ \$8,483,230
CLOSING FOOTINGS	\$147,527,292	\$120,295,060	+ \$27,232,232
CUSTOMER NUMBERS	2,037	1,927	+108

Our Rural Bank brand was retired this year, and all products were transitioned to equivalent Bendigo Bank products and will now sit under the one banner of Bendigo Agribusiness. This will allow a single one-way same-way platform, while leveraging the strength of the Bendigo Bank brand to further grow our business in the Agri market.

When it comes to our staff, I truly believe they are our greatest asset! Having the right people that work in our business is what makes our branch both reputable and authentic. They show up in more ways than one each day and provide a personable, seamless and professional service. As an established and knowledgeable team, they ensure they continue to educate themselves adequately to keep up with the ever-evolving banking landscape and ensure our customers are provided the right information that aligns with their financial needs and goals. Our team remains unchanged for another year, and I express my heartfelt gratitude and appreciation for their dedication and support.

Branch Manager	Elise Payne (Full time)
Business Development Manager	Clint Stephens (Part time)
Customer Relationship Manager	Brooke Clark (Full time)

Manager's report (continued)

Customer Relationship Officer Joanne Kirkman (Part time)

Customer Relationship Officer Annabel Rose (LSL from March 2025 – Dec 2025)

Customer Service Officer Jodie Vermeer (Part time)

Customer Service Officer Amy Muller (Full time)

Customer Service Officer Jasmin Kimber (Part time)

We are proud to be involved with many community groups and by delivering better customer outcomes, we will ultimately increase our profitability and ensure we continue to live out our role as a bank with purpose. FY25 saw us contribute \$50,000 directly back to our community partners, which is truly rewarding to see. This continues to prove that banking local really does matter! Community Bank Kalbar and District can only continue to give back to our amazing community by continuing to grow our business and our customer base, so I ask you to advocate to your own networks near and far about the good that this bank is doing for our community.

The board members are undoubtedly the backbone of our business, and their continued diligence and support empowers our story to remain relevant. It's an honour to work alongside such a passionate and dedicated group of individuals, who wholeheartedly believed in our community from the beginning and more importantly will be there to guide us well into the future.

One of the more notable changes over this last year was the upgrade of our branch interior. The renovations certainly modernised the feel with fresh paint, new flooring, update of colours, new furnishings as well as enhanced security. The front teller area is transformed into a new warm and welcoming space for our customers and staff alike.

As we powered through our 15th year in operation, I would like to confirm that our community inspires us to be better, delivering value through trust. Once again thank you to our community members and shareholders for your commitment to us. I sincerely hope you feel good about who you bank with because you are making a real difference.

Elise Payne
Branch Manager

Directors' report

For the financial year ended 30 June 2025

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

Directors

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

David John Roderick

Title:	Non-executive director
Experience and expertise:	David is a Dairy Farmer. David has worked at his family dairy farm in Harrisville for 45 years. He has been chair of a dairy group for 10 years and involved with the Lions group for 33 years, church admin for 35 years, the Kalbar Community Bank for 8 years, plus many other various local committees over the past 40 years.
Special responsibilities:	Chairman, Marketing Committee

Michael Graham Rashford

Title:	Non-executive director
Experience and expertise:	Michael is a retired Public Servant and a retired resident of Munbilla. He has had a successful career as a taxation officer for 19 years, followed then by post office owner for 19 years also. Michael has been involved with Lions Club Int for 28 years.
Special responsibilities:	Audit & Risk Committee, Marketing Committee

Michael Lloyd Weekes

Title:	Non-executive director
Experience and expertise:	Owned and operated farms for 39 years. Since moving to the Fassifern district has invested in properties for grazing and small crop production. Has served on a number of boards of community based organisations.
Special responsibilities:	Company Secretary

Wilson Beresford Neuendorf

Title:	Non-executive director
Experience and expertise:	Wilson has been a successful farmer in the district all his life and a Director of the family owned Neuendorf Farms until his retirement. Previously a Boonah Shire Councillor for 8 years, Wilson is currently Chair of the Boonah Arts Festival and the Templin Historical Village and the secretary at Kalbar Baptist church.
Special responsibilities:	Marketing Committee, Human Resources Committee

Directors' report (continued)

Directors (continued)

Heather Elizabeth McInnes

Title:	Non-executive director
Experience and expertise:	Heather has been an accountant for more than 20 years and has an accounting & financial planning practice with her business partner. She holds a Bachelor of Business (Accounting), Diploma of Financial Planning and is a member of CPA Australia and AIOFP. Heather has grown up in the Fassifern Valley and enjoys community involvement in various organisations in her spare time.
Special responsibilities:	Finance Committee

Heather Helene Wehl

Title:	Non-executive director
Experience and expertise:	Heather is retired. Heather has a long experience in farming and small business. She has lived in the Bremer Valley for 38 years where she ran a mixed farming enterprise while running various small businesses concurrently, including food, fashion and spare parts retailing. Prior to retirement she served for 12 years as a local government Councillor and currently serves on a number of community committees.
Special responsibilities:	Marketing Committee, Human Resources Committee

Paul Damien FitzGerald

Title:	Non-executive director
Experience and expertise:	Retired public servant. Worked for Queensland rail for 34 years including as an industrial chemist for 15 years in the Scientific Services Unit based at Ipswich workshops and then for 19 years in various corporate environmental roles at head office in Brisbane. Paul holds a degree in Applied Chemistry and is a member of Harrisville Lions Club.
Special responsibilities:	Company Treasurer - Audit, Risk Management and Policy Committee

Robert Paul Quodling

Title:	Non-executive director
Experience and expertise:	Experienced Business Analyst in Government and private sector. Member of Harrisville Lions Club. Committee of Harrisville School of Arts.
Special responsibilities:	Nil

Ashleah Kate Lutter

Title:	Non-executive director (appointed 4 August 2025)
Experience and expertise:	Lifelong Fassifern resident, grew up in Harrisville now live in Tarome. Former Bendigo Bank Employee with 16 years experience in various rolls such as Customer Service Officer, Customer Relationship Officer and Customer Relationship Manager. Involved in Aratula State School (P&C) Secretary and volunteer for Aratula Community Sports Complex. Self employed, Book keeper, 13 years owned and run The Butcher Co.
Special responsibilities:	nil

Directors' report (continued)

Directors (continued)

Murray Richard Roberts

Title:	Non-executive director (resigned 4 March 2024)
Experience and expertise:	Retired Accountant, Fellow of Institute of Public Accountants (ret'd). Director of Bizcom Services Qld P/I dealing in computerised accounting programs for 30 years. Founding Treasurer and Committee Member of the Fassifern Community Men's Shed Inc.
Special responsibilities:	Nil

Paul Anthony Cornwell

Title:	Non-executive director (resigned 12 May 2025)
Experience and expertise:	Paul has over 30 years experience in the business, marketing and communications industries. Managing Director of multi-national communications agencies in Brisbane, Sydney and Hong Kong. Senior Positions with Clemenger, The Campaign Palace, Mojo & McCann-Erikson. Co-owner and Director of BCM Group Australia. Extensive industry category experience in financial services (Suncorp, Heritage Bank, Sunsuper, Energy Super), FMCG, (Golden Circle, Capilano, Sunny Queen Farms, Bundaberg Brewed Drinks), Tertiary Education (QUT), Technology (Apple Computer), Government (Federal & State) communications. Was Past Chairman for Advertising Federation of Australia.
Special responsibilities:	Nil

Company secretary

The company secretary is Michael Weekes. Michael was appointed to the position of company secretary on 3 June 2017.

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 \$241,151 (30 June 2024: \$221,136).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 8 cents per share (2024: 8 cents)	51,321	51,321

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2025 \$	2024 \$
Fully franked dividend of nil cents per share (2024: 8 cents)	-	51,321

Directors' report (continued)

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
David John Roderick	11	10
Michael Graham Rashford	11	11
Michael Lloyd Weekes	11	11
Wilson Beresford Neuendorf	11	11
Heather Elizabeth McInnes	11	9
Heather Helene Wehl	11	11
Paul Damien FitzGerald	11	9
Robert Paul Quodling	11	11
Paul Anthony Cornwell	10	7

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

Directors' benefits

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

Directors' report (continued)

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
David John Roderick	20,001	-	20,001
Michael Graham Rashford	2,000	-	2,000
Michael Lloyd Weekes	1,000	-	1,000
Wilson Beresford Neuendorf	1,000	-	1,000
Heather Elizabeth McInnes	2,000	-	2,000
Heather Helene Wehl	12,000	-	12,000
Paul Damien FitzGerald	1,000	-	1,000
Robert Paul Quodling	5,000	-	5,000
Ashleah Kate Lutter	-	-	-
Murray Richard Roberts	-	-	-
Paul Anthony Cornwell	1,000	500	1,500

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.

Directors' report (continued)

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



David John Roderick
Chair

23 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 Fassifern Valley Community Enterprises Limited

As lead auditor for the audit of Fassifern Valley Community Enterprises 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: 23 September 2025

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

Adrian Downing
Lead Auditor

Financial statements

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	1,155,406	1,094,888
Finance revenue		56,972	50,307
Total revenue		1,212,378	1,145,195
Employee benefits expense	7	(629,860)	(627,362)
Advertising and marketing costs		(2,632)	(1,688)
Occupancy and associated costs		(25,421)	(19,589)
System costs		(26,127)	(19,343)
Depreciation and amortisation expense	7	(52,339)	(51,285)
Finance costs		(14,774)	(15,580)
General administration expenses		(86,418)	(69,996)
Total expenses before community contributions and income tax expense		(837,571)	(804,843)
Profit before community contributions and income tax expense		374,807	340,352
Charitable donations and sponsorships expense	7	(52,657)	(47,112)
Profit before income tax expense		322,150	293,240
Income tax expense	8	(80,999)	(72,104)
Profit after income tax expense for the year		241,151	221,136
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		241,151	221,136
		Cents	Cents
Basic earnings per share	26	37.59	34.47
Diluted earnings per share	26	37.59	34.47

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

Financial statements (continued)

Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,452,474	1,290,780
Trade and other receivables	10	97,635	104,758
Current tax assets	8	-	6,850
Total current assets		1,550,109	1,402,388
Non-current assets			
Property, plant and equipment	11	151,964	79,479
Right-of-use assets	12	239,661	264,659
Intangible assets	13	66,036	8,531
Deferred tax assets	8	23,812	27,623
Total non-current assets		481,473	380,292
Total assets		2,031,582	1,782,680
Liabilities			
Current liabilities			
Trade and other payables	14	56,700	99,278
Lease liabilities	15	33,505	32,337
Current tax liabilities	8	18,804	-
Employee benefits	16	52,610	47,989
Total current liabilities		161,619	179,604
Non-current liabilities			
Trade and other payables	14	46,825	-
Lease liabilities	15	248,028	267,248
Employee benefits	16	14,398	17,467
Provisions	17	26,250	25,050
Total non-current liabilities		335,501	309,765
Total liabilities		497,120	489,369
Net assets		1,534,462	1,293,311
Equity			
Issued capital	18	611,271	611,271
Retained earnings		923,191	682,040
Total equity		1,534,462	1,293,311

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

Financial statements (continued)

Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		611,271	512,225	1,123,496
Profit after income tax expense		-	221,136	221,136
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	221,136	221,136
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(51,321)	(51,321)
Balance at 30 June 2024		611,271	682,040	1,293,311
Balance at 1 July 2024		611,271	682,040	1,293,311
Profit after income tax expense		-	241,151	241,151
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	241,151	241,151
Balance at 30 June 2025		611,271	923,191	1,534,462

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

Financial statements (continued)

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)		1,277,771	1,194,929
Payments to suppliers and employees (inclusive of GST)		(937,781)	(908,446)
Interest received		56,903	48,946
Interest and other finance costs paid		-	(19)
Income taxes paid		(51,534)	(153,438)
Net cash provided by operating activities	25	345,359	181,972
Cash flows from investing activities			
Redemption of/(investment in) term deposits		-	318,480
Payments for property, plant and equipment		(84,915)	(13,815)
Payments for intangible assets		(14,189)	(13,453)
Net cash provided by/(used in) investing activities		(99,104)	291,212
Cash flows from financing activities			
Interest and other finance costs paid		(13,574)	(14,413)
Dividends paid	20	(51,321)	(51,321)
Repayment of lease liabilities		(19,666)	(17,666)
Net cash used in financing activities		(84,561)	(83,400)
Net increase in cash and cash equivalents		161,694	389,784
Cash and cash equivalents at the beginning of the financial year		1,290,780	900,996
Cash and cash equivalents at the end of the financial year	9	1,452,474	1,290,780

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

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Reporting entity

The financial statements cover Fassifern Valley Community Enterprises 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 3/103 George Street, Kalbar QLD 4309.

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 23 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.

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Notes to the financial statements (continued)

Note 5. Economic dependency

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 has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	959,722	904,840
Fee income	60,527	65,239
Commission income	135,157	124,809
	1,155,406	1,094,888

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:

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

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.

Notes to the financial statements (continued)

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	544,377	513,588
Superannuation contributions	63,482	57,614
Expenses related to long service leave	3,289	16,633
Other expenses	18,712	39,527
	629,860	627,362

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	9,824	8,800
Plant and equipment	2,462	2,893
	12,286	11,693
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	26,612	26,524
<i>Amortisation of intangible assets</i>		
Franchise fee	2,240	2,178
Franchise renewal fee	11,201	10,890
	13,441	13,068
	52,339	51,285

Charitable donations, sponsorships and grants

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	52,657	47,112

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

Note 8. Income tax

	2025 \$	2024 \$
Income tax expense		
Current tax	77,188	73,440
Movement in deferred tax	3,811	(130)
Under/over adjustment	-	(1,206)
Aggregate income tax expense	80,999	72,104
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	322,150	293,240
Tax at the statutory tax rate of 25%	80,538	73,310

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Tax effect of:		
Entertainment expenses	461	-
	80,999	73,310
Under/over adjustment	-	(1,206)
Income tax expense	80,999	72,104

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(8,200)	(1,202)
Employee benefits	16,752	16,364
Provision for lease make good	6,562	6,262
Accrued expenses	1,655	877
Income accruals	(3,425)	(3,409)
Lease liabilities	70,383	74,896
Right-of-use assets	(59,915)	(66,165)
Deferred tax asset	23,812	27,623

	2025 \$	2024 \$
Income tax refund due	-	6,850

	2025 \$	2024 \$
Provision for income tax	18,804	-

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	1,452,474	1,290,780

Notes to the financial statements (continued)

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	75,388	82,068
Other receivables and accruals	13,703	13,634
Prepayments	8,544	9,056
	22,247	22,690
	97,635	104,758

	2025 \$	2024 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	97,635	104,758
Less Prepayments, included in trade and other receivables	(8,544)	(9,056)
	89,091	95,702

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. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	241,071	165,835
Less: Accumulated depreciation	(108,351)	(98,527)
	132,720	67,308
Plant and equipment - at cost	94,249	92,555
Less: Accumulated depreciation	(75,005)	(80,384)
	19,244	12,171
	151,964	79,479

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	62,293	15,064	77,357
Additions	13,815	-	13,815
Depreciation	(8,800)	(2,893)	(11,693)
Balance at 30 June 2024	67,308	12,171	79,479
Additions	75,236	9,679	84,915
Disposals	-	(144)	(144)
Depreciation	(9,824)	(2,462)	(12,286)
Balance at 30 June 2025	132,720	19,244	151,964

Notes to the financial statements (continued)

Note 11. Property, plant and equipment (continued)

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 15 years

Plant and equipment 5 to 40 years

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

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

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

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	395,111	393,497
Less: Accumulated depreciation	(155,450)	(128,838)
	239,661	264,659

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	288,004
Remeasurement adjustments	3,179
Depreciation expense	(26,524)
Balance at 30 June 2024	264,659
Remeasurement adjustments	1,614
Depreciation expense	(26,612)
Balance at 30 June 2025	239,661

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 15 for more information on lease arrangements.

Notes to the financial statements (continued)

Note 13. Intangible assets

	2025 \$	2024 \$
Franchise fee	44,057	32,233
Less: Accumulated amortisation	(33,051)	(30,811)
	11,006	1,422
Franchise renewal fee	170,285	111,163
Less: Accumulated amortisation	(115,255)	(104,054)
	55,030	7,109
	66,036	8,531

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	3,600	17,999	21,599
Amortisation expense	(2,178)	(10,890)	(13,068)
Balance at 30 June 2024	1,422	7,109	8,531
Additions	11,824	59,122	70,946
Amortisation expense	(2,240)	(11,201)	(13,441)
Balance at 30 June 2025	11,006	55,030	66,036

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:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2030

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

Change in estimates

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

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Other payables and accruals	56,700	99,278
<i>Non-current liabilities</i>		
Other payables and accruals	46,825	-

Notes to the financial statements (continued)

Note 14. Trade and other payables (continued)

	2025 \$	2024 \$
<i>Financial liabilities of amortised cost classified as trade and other payables</i>		
Total trade and other payables	103,525	99,278
less other payables and accruals (net GST payable to the ATO)	(6,329)	(20,173)
	97,196	79,105

Note 15. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	33,505	32,337
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	248,028	267,248

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	299,589	314,399
Remeasurement adjustments	1,610	2,856
Lease interest expense	13,574	14,413
Lease payments - total cash outflow	(33,240)	(32,079)
	281,533	299,589

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
Kalbar & District Branch	4.79%	5 years	1 x 5 years	Yes	July 2034

Notes to the financial statements (continued)

Note 16. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	18,962	25,928
Long service leave	27,477	15,890
Personal leave	6,171	6,171
	52,610	47,989
<i>Non-current liabilities</i>		
Long service leave	14,398	17,467

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

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

Note 17. Provisions

	2025 \$	2024 \$
Lease make good	26,250	25,050

Lease make good

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$40,000 for the Kalbar Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process.

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	641,510	641,510	641,510	641,510
Less: Equity raising costs	-	-	(30,239)	(30,239)
	641,510	641,510	611,271	611,271

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.

Notes to the financial statements (continued)

Note 18. Issued capital

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 202. As at the date of this report, the company had 221 shareholders (2024: 223 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.

Notes to the financial statements (continued)

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.

Note 20. Dividends

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2025 \$	2024 \$
Fully franked dividend of 8 cents per share (2024: 8 cents)	51,321	51,321

Dividends provided for during the period

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2025 \$	2024 \$
Fully franked dividend of nil cents per share (2024: 8 cents)	-	51,321

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	375,948	239,617
Franking credits (debits) arising from income taxes paid (refunded)	51,534	153,438
Franking debits from the payment of franked distributions	(17,107)	(17,107)
	410,375	375,948
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	410,375	375,948
Franking credits (debits) that will arise from payment (refund) of income tax	18,804	(6,850)
Franking credits available for future reporting periods	429,179	369,098

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%.

Notes to the financial statements (continued)

Note 20. Dividends (continued)

Accounting policy for dividends

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

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

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.

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables excluding prepayments (note 10)	89,091	95,702
Cash and cash equivalents (note 9)	1,452,474	1,290,780
	1,541,565	1,386,482
Financial liabilities		
Trade and other payables (note 14)	97,196	79,105
Lease liabilities (note 15)	281,533	299,585
	378,729	378,690

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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

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 \$1,452,474 at 30 June 2025 (2024: \$1,290,780).

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.

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	50,371	46,825	-	97,196
Lease liabilities	34,231	147,445	165,850	347,526
Total non-derivatives	84,602	194,270	165,850	444,722

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	79,105	-	-	79,105
Lease liabilities	32,337	142,367	203,344	378,048
Total non-derivatives	111,442	142,367	203,344	457,153

Notes to the financial statements (continued)

Note 22. Key management personnel disclosures

The following persons were directors of Fassifern Valley Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

David John Roderick	Paul Damien FitzGerald
Michael Graham Rashford	Robert Paul Quodling
Michael Lloyd Weekes	Ashleah Kate Lutter (appointed 4 August 2025)
Wilson Beresford Neuendorf	Paul Anthony Cornwell (resigned 12 May 2025)
Heather Elizabeth McInnes	Murray Richard Roberts (resigned 4 March 2024)
Heather Helene Wehl	

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

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.

The following transactions occurred with related parties:

	2025 \$	2024 \$
A director of the company was remunerated for mowing of the branch car park	-	200
The company made a donation to Boonah Golf Club which is a related party of a director	-	500
The company made a donation to Kalbar Progress Association which is a related party of a director	3,000	2,500
The company made a donation to Harrisville & District Historical Society Inc which is a related party of a director	-	1,000
The company made a donation to Harrisville Lions Club which is a related party of a director	2,000	2,000
The company paid a sponsorship to the Australia Day Celebration held at Kalbar Progress Association which is a related party of a director	2,500	-

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	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	265	700
General advisory services	3,690	3,270
Share registry services	4,675	4,421
	8,630	8,391
	16,560	15,041

Notes to the financial statements (continued)

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

	2025 \$	2024 \$
Profit after income tax expense for the year	241,151	221,136
Adjustments for:		
Depreciation and amortisation	52,339	51,285
Net loss on disposal of non-current assets	144	-
Lease liabilities interest	13,574	14,413
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	7,123	(9,308)
Decrease/(increase) in income tax refund due	6,850	(6,850)
Decrease/(increase) in deferred tax assets	3,811	(130)
Decrease in trade and other payables	(1,189)	(15,661)
Increase/(decrease) in provision for income tax	18,804	(74,354)
Increase in employee benefits	1,552	292
Increase in other provisions	1,200	1,149
Net cash provided by operating activities	345,359	181,972

Note 26. Earnings per share

	2025 \$	2024 \$
Profit after income tax	241,151	221,136

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	641,510	641,510
Weighted average number of ordinary shares used in calculating diluted earnings per share	641,510	641,510

	Cents	Cents
Basic earnings per share	37.59	34.47
Diluted earnings per share	37.59	34.47

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Fassifern Valley Community Enterprises Limited by the weighted average number of ordinary shares outstanding during the financial year.

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

For the financial year ended 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



David John Roderick
Chair

23 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 Fassifern Valley Community Enterprises Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Fassifern Valley Community Enterprises 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 Fassifern Valley Community Enterprises 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
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
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: 23 September 2025

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

Adrian Downing
Lead Auditor

Community Bank - Kalbar & District
Shop 3, 103 George Street, Kalbar QLD 4309
Phone: 07 5463 7244 Fax: 07 5463 9996
Web: bendigobank.com.au/kalbar

Franchisee: Fassifern Valley Community Enterprises Ltd
ABN: 38 138 533 810
Shop 3, 103 George Street, Kalbar QLD 4309
Phone: 07 5463 7244 Fax: 07 5463 9996



/communitybankkalbardistrict

