

Annual Report 2025

Fleurieu Community
Enterprises Ltd

Community Bank
Fleurieu

ABN 72 116 550 157

Chair's Report

For the year ending 30 June 2025

Overview

The 2024-25 financial year saw a return on steady interest margins from the investment in enhancing our brand awareness and strengthening the team in maintaining our services across the Fleurieu. While the results this year is a small deficit, we are grateful for the patience and support from our shareholders as we build momentum in growing our strategy and long-term viability with the banking evolution. Our community investments and donations decreased, we still have achieved an amazing \$1.9m reinvested into our Fleurieu region and reinforces our commitment to reinvest up to 80% of our profits with making a difference for our non-for-profit organisations.

FCE Operations

Our investment into the team and training programs has been a priority with developing our growth in lending strategy. While we continue to see growth in our total lending; our deposit grew by \$25m which equalled to 86% of our total growth and an increase of 23% in customers to 9,400.

Strategic Planning

Our strategic plan roadmap with the recommendations of our Company Manager Alison Burr, saw the increase our growing our brand, strategic partnerships and restructure of senior management with the of hiring two branch managers to further enhance the support and growth of our branches and mobile services of our two Business Development Managers.

Acknowledgements

The board extends its thanks to Julie Zeitingner, our outgoing Branch Manager, who departed in June 2025 for her dedication in growing our development over the last three years. We welcome the appointment of our two new branch managers Richelle Horvath and Robert Kidman who both bring great expertise and experience for our team. We also welcome new board director Stephen Shotton, thank you to Markus Bucy for his contributions and Joshua Lee who has stepped down as Chair for a leave of absence. I would also like to thank our Company Manager Alison Burr, staff and directors for their commitment, focus and passion to the future of Community Bank Fleurieu.

In Closing

I am grateful to be recently appointed as Chair into my sixth year of service with FCE and a sincere thank you to the board and staff for their support and guidance throughout this journey.

Looking ahead to 2025-26 as we will reach a special celebration of 20 years, \$2m in community investments and optimistic to have 10,000 customers as we continue to strengthen and grow our presence in the Fleurieu Region and Kangaroo Island.



Marissa Harvey
Chair

Company Manager's Report

For the year ending 30 June 2025

It gives me great pleasure to provide the Company Manager report for the 2024/25 financial year.

This financial year, Fleurieu Community Enterprises Ltd, operating the sites at Aldinga, Goolwa, Victor Harbor and Willunga has delivered a solid business performance, despite the external pressures of interest rates and cost of living. The total business, under the banner of Community Bank Fleurieu increased by \$29 million (8% increase), with the total business held as of 30 June 2025 at just over \$ 360 million.

We have continued to focus on our strategy, providing our existing and potential customers a choice in how they interact with us. This has resulted in an increase of our customer base to just over 9,400, with an uplift in customers opting to interact with us through digital platforms and our mobile business development team. We are still committed to ensuring we have a physical presence across the Fleurieu, and remain the only banking sites in Aldinga, Goolwa, and Willunga.

During this year we have taken the opportunity to review our business structure due to the resignation of our Business Manager Julie Zeiting. We have recruited two Branch Managers to ensure we continue to focus on our business and providing greater support in training and development of our staff. Richelle Horvath has been appointed to Aldinga/Willunga, and Rob Kidman to Goolwa/Victor Harbor. Both Richelle and Rob bring strong business and leadership skills to the team.

In line with the Community Bank model, this financial year, our community investment program has funded \$238,523 into our Fleurieu community, with \$131,083 coming from our Bendigo Bank Community Enterprise Foundation account. Our investment decisions are overseen by our local volunteer directors and ensuring alignment with our community investment strategy. Our total contribution has now reached **\$1.9 million**.

As part of our focus to increase our community impact across the Fleurieu, we are proud to have entered a funding partnership with Zonta Club of Fleurieu Peninsula, and the Fleurieu Community Foundation supporting the "Fleurieu Supported Housing Accommodation" project. This is a two-year commitment to support those who are vulnerable across the Fleurieu Peninsula. The management of this project is through Junction Australia, located in Goolwa.

I would like to point out that our community investment support would not have been achieved without the backing of our customers and shareholders, and I thank them all for their contribution to our company.

I would also like to thank our team, for their hard work and commitment to their customers and community over the past year, as their contribution is paramount to the success of our company, and to our directors who maintain a high functioning and governance focused board.

We want to continue to provide an alternative banking proposition that directly benefits communities on the Fleurieu, as every time our community conducts their banking with us, they contribute to the growth and well-being of our local communities.

Alison Burr
Company Manager
Fleurieu Community Enterprises Ltd

Fleurieu Community Enterprises Ltd

ABN 72 116 550 157

Financial Report - 30 June 2025

Fleurieu Community Enterprises Ltd

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: Marissa Anne Harvey
Title: Non-executive director
Experience and expertise: Diploma of Accounting, Diploma of Financial Planning & Diploma of Leadership & Management and member of Public Accountants. Owner of DataBooks, a bookkeeping and business advisory business. Volunteer of a local sporting club, graduate and previous treasurer and committee member of the Fleurieu Future Leaders Program.
Special responsibilities: Chair, Treasurer, Member of the Risk and Governance Committee.

Name: Ronald Leslie Logan
Title: Non-executive director
Experience and expertise: Employed previously as a senior executive and Director with HSBC, CBA, Colonial and TSB (UK). Has worked in the UK, Australia, China, Vietnam and the Philippines. Now resident in Sellicks Hill and operates an aviation and private investment company.
Special responsibilities: Member of the Finance Committee.

Name: Moira Fay Jenkins
Title: Non-executive director
Experience and expertise: BA (Hons. Grad Dip Conflict Management). Masters Psychology (Clinical) PhD. Director of Aboto Pty Ltd, a Conflict Management Consulting firm. Specialising in Conflict Management Coaching, facilitation of workshops addressing workplace conflicts, working with high conflict people and leadership development. Mayor, City of Victor Harbor. Board member of ARAS - 'Aged Rights Advocacy Service'.
Special responsibilities: Member of Community Investment subcommittee.

Name: Alison Patricia Hancock
Title: Non-executive director
Experience and expertise: An experienced and results oriented executive with a commercially astute and pragmatic approach across both public and private industry sectors. She has been a leader of multi-disciplinary teams across a range of corporate and business functions to achieve alignment of strategic and operational goals. Qualifications held in Bachelor of Laws and Legal Practice (LLB), Member of the Australian Institute of Company Directors, the Law Society and Women on Boards.
Special responsibilities: Chair of the Risk and Governance Committee.

Name: Barry Kym McHugh
Title: Non-executive director
Experience and expertise: Presiding member and / or member of many Local Government / State Government and National Bodies and committees. Former Mayor of Alexandrina Council for 19.5 years.
Special responsibilities: Member of the Community Investment Committee.

Name: Joshua David Lee
Title: Non-executive director
Experience and expertise: Head of Product for software company Honeywell Sine where he facilitates the intersection of Business objectives, Market needs and Development effort. Josh has worked in software for over 10 years and previously ran his own design studio after returning to Adelaide from living overseas. He is a founding board member - Kiwanis Club of the Fleurieu, which he helped setup to run The Mad Dash - a not for profit community event - for which he is also a member of the organising committee. Josh is a graduate of the Fleurieu Future Leaders Program.
Special responsibilities: Chair from December 2024 to July 2025.

Fleurieu Community Enterprises Ltd
Directors' report
30 June 2025

Name:	Meagan Louise Harrison
Title:	Non-executive Director
Experience and expertise:	LEAP Training Coordinator at Santos. Owner and Lead Facilitator at Leading Self. Passionate about the Fleurieu and Kangaroo Island Communities. 10 years experience in retail banking, including 4 years as Customer Relationship Officer at Aldinga Beach Community Bank
Special responsibilities:	Chair of the Community Investment Committee.
Name:	Michael Hoffmann
Title:	Non-executive director
Experience and expertise:	General Manager of Technology with Disaster Relief Australia. Over 15 years of technology, innovation and strategic transformation across Telecommunications, Clinical Laboratories and the Not for Profit Sector. Currently completing the AICD Company Directors Course
Special responsibilities:	Company Secretary, Member of Community Investment Committee.
Name:	Stephen Shotton
Title:	Non-executive director (appointed 11 July 2025)
Experience and expertise:	Director of Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island, Steve has been involved in a wide range of local projects from establishing the Fleurieu Study Hub, to supporting the growth of regional manufacturing, and backing organisations such as Hotel Elliot, the Milang & District Community Association, and Rotary Victor Harbor. Bachelor of Science, Botany and Zoology, Diploma Conservation & Land Management, Graduate Diploma Science, Aquaculture.
Special responsibilities:	Nil.
Name:	Markus Shane Bucy
Title:	Non-executive director (resigned 4 December 2024)
Experience and expertise:	Markus currently sits as the Executive General Manager for J2 Geospatial Intelligence Services, the social enterprise of the charity Disaster Relief Australia. Markus is the co-founder and previous Chief Operating Officer and Chief Strategy Officer of Disaster Relief Australia.
Special responsibilities:	Chair of Risk and Governance Committee.

Company secretary

The Company secretary is Michael Hoffmann. Michael was appointed to the position of company secretary on 6 September 2023.

Principal activity

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

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

Review of operations

The loss for the company after providing for income tax amounted to \$8,885 (30 June 2024: profit of \$59,642).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Unfranked dividend of nil cents per share (2024: 12 cents)	-	118,599

Fleurieu Community Enterprises Ltd

Directors' report

30 June 2025

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

Subsequent to the reporting date, the company entered into new lease agreements for both the Aldinga Beach and Willunga branches. As a result of the lease renewals, a remeasurement of the lease liability, right-of-use-asset and make-good provision has been recognised in accordance with AASB 16. This adjustment will be reflected in the financial statements for the subsequent reporting period.

The Aldinga Beach lease has been renewed for a further term of two years starting 1 October 2025. A further three year extension option available which the company has assessed it is reasonably certain to exercise, meaning the revised lease term end date is now 30 September 2030.

The Willunga lease has been renewed for a further term of three years starting 9 April 2024, the renewal was executed in August 2025 with the term backdated. No further extension options are now available, meaning the revised lease term end date is now 8 April 2027.

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board		Subcommittees	
	Eligible	Attended	Eligible	Attended
Marissa Anne Harvey	11	10	5	3
Ronald Leslie Logan	11	10	8	7
Moiria Fay Jenkins	11	4	5	4
Alison Patricia Hancock	11	7	5	3
Barry Kym McHugh	11	10	5	4
Joshua David Lee	11	10	7	6
Meagan Louise Harrison	11	8	5	5
Michael Hoffmann	11	10	3	2
Stephen Shotton	-	-	-	-
Markus Shane Bucy	5	4	3	3

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 26 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.

Fleurieu Community Enterprises Ltd
Directors' report
30 June 2025

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
Marissa Anne Harvey	-	1,000	1,000
Ronald Leslie Logan	10,000	-	10,000
Moiria Fay Jenkins	-	-	-
Alison Patricia Hancock	-	-	-
Barry Kym McHugh	-	-	-
Joshua David Lee	-	-	-
Meagan Louise Harrison	-	-	-
Michael Hoffmann	-	-	-
Stephen Shotton	-	-	-
Markus Shane Bucy	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

Fleurieu Community Enterprises Ltd
Directors' report
30 June 2025

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:

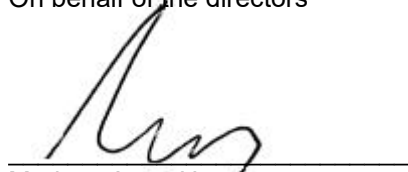
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional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



Marissa Anne Harvey
Chair

25 September 2025



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 Fleurieu Community Enterprises Ltd.

As lead auditor for the audit of Fleurieu Community Enterprises Ltd. for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2025

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

Adrian Downing
Lead Auditor

Fleurieu Community Enterprises Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	2,281,570	2,247,327
Other revenue		13,747	6,188
Finance revenue		5,369	7,899
Total revenue		<u>2,300,686</u>	<u>2,261,414</u>
Employee benefits expense	7	(1,568,397)	(1,089,407)
Advertising and marketing costs		(67,958)	(39,850)
Occupancy and associated costs		(68,270)	(38,947)
System costs		(71,691)	(57,009)
Depreciation and amortisation expense	7	(229,384)	(243,981)
Finance costs	7	(17,181)	(18,659)
General administration expenses		(172,084)	(168,478)
Total expenses before community contributions and income tax expense		<u>(2,194,965)</u>	<u>(1,656,331)</u>
Profit before community contributions and income tax expense		105,721	605,083
Charitable donations, sponsorships and grants expense	7	<u>(107,440)</u>	<u>(520,464)</u>
Profit/(loss) before income tax expense		(1,719)	84,619
Income tax expense	8	<u>(7,166)</u>	<u>(24,977)</u>
Profit/(loss) after income tax expense for the year		(8,885)	59,642
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(8,885)</u></u>	<u><u>59,642</u></u>
		Cents	Cents
Basic earnings per share	26	(0.90)	6.03
Diluted earnings per share	26	(0.90)	6.03

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

Fleurieu Community Enterprises Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	131,770	95,166
Trade and other receivables	10	193,379	199,385
Investments	11	119,018	114,405
Current tax assets	8	8,862	-
Total current assets		<u>453,029</u>	<u>408,956</u>
Non-current assets			
Property, plant and equipment	12	151,226	192,136
Right-of-use assets	13	261,168	327,691
Intangible assets	14	207,803	251,844
Deferred tax assets	8	309,527	310,985
Total non-current assets		<u>929,724</u>	<u>1,082,656</u>
Total assets		<u>1,382,753</u>	<u>1,491,612</u>
Liabilities			
Current liabilities			
Trade and other payables	15	143,140	93,312
Borrowings	16	53,465	60,372
Lease liabilities	17	125,981	130,657
Current tax liabilities	8	-	18,328
Employee benefits		93,473	83,864
Total current liabilities		<u>416,059</u>	<u>386,533</u>
Non-current liabilities			
Borrowings	16	216,449	269,554
Lease liabilities	17	166,720	243,413
Employee benefits		3,959	5,811
Provisions		88,498	86,348
Total non-current liabilities		<u>475,626</u>	<u>605,126</u>
Total liabilities		<u>891,685</u>	<u>991,659</u>
Net assets		<u>491,068</u>	<u>499,953</u>
Equity			
Issued capital	18	842,339	842,339
Accumulated losses		<u>(351,271)</u>	<u>(342,386)</u>
Total equity		<u>491,068</u>	<u>499,953</u>

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

Fleurieu Community Enterprises Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		842,339	(283,429)	558,910
Profit after income tax expense		-	59,642	59,642
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	59,642	59,642
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(118,599)	(118,599)
Balance at 30 June 2024		<u>842,339</u>	<u>(342,386)</u>	<u>499,953</u>
 Balance at 1 July 2024		 842,339	 (342,386)	 499,953
Loss after income tax expense		-	(8,885)	(8,885)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(8,885)	(8,885)
Balance at 30 June 2025		<u>842,339</u>	<u>(351,271)</u>	<u>491,068</u>

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

Fleurieu Community Enterprises Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,534,716	2,508,598
Payments to suppliers and employees (inclusive of GST)		(2,212,911)	(2,214,023)
Interest received		824	2,458
Income taxes paid		(32,898)	-
Net cash provided by operating activities	25	<u>289,731</u>	<u>297,033</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(2,224)	(93,403)
Payments for intangible assets		(16,752)	(26,930)
Net cash used in investing activities		<u>(18,976)</u>	<u>(120,333)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(12,560)	(15,179)
Repayment of lease liabilities		(161,579)	(144,447)
Dividends paid	20	-	(118,599)
Repayment of borrowings		(60,012)	(60,012)
Net cash used in financing activities		<u>(234,151)</u>	<u>(338,237)</u>
Net increase/(decrease) in cash and cash equivalents		36,604	(161,537)
Cash and cash equivalents at the beginning of the financial year		<u>95,166</u>	<u>256,703</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>131,770</u></u>	<u><u>95,166</u></u>

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

Fleurieu Community Enterprises Ltd

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Fleurieu Community Enterprises Ltd (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:

Registered office

Shop 32, Aldinga Central Shopping Centre - 1 Pridham
Boulevard, Aldinga Beach SA 5173

Principal place of business

Shop 32, Aldinga Central Shopping Centre - 1 Pridham
Boulevard, Aldinga Beach SA 5173
138 Hindmarsh Road, Victor Harbor SA 5211
33 Hutchinson Street, Goolwa SA 5214
9 High Street, Willunga SA 5172

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

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Investments

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

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

Note 3. Material accounting policy information (continued)

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Fleurieu Community Enterprises Ltd
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Note 5. Economic dependency

The company is economically dependent on its franchise agreement with Bendigo Bank to generate revenue. The current agreement is set to expire within 12 months from the date of this financial report, on 4 October 2025. The directors are in ongoing negotiations with Bendigo Bank regarding the renewal of the franchise agreement; however, no formal agreement or letter of support has been obtained as at the date of this report.

As a result, there is material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Notwithstanding this uncertainty, the financial report has been prepared on a going concern basis, as the directors have a reasonable expectation that a new agreement will be entered into on mutually acceptable terms and conditions before the expiration of the current franchise agreement.

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 the 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	1,948,671	1,914,262
Fee income	92,868	99,157
Commission income	240,031	233,908
	<u>2,281,570</u>	<u>2,247,327</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.

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Note 6. Revenue from contracts with customers (continued)

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

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

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

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

Revenue calculation

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

Margin income

Margin income 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.

Fleurieu Community Enterprises Ltd
Notes to the financial statements
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Note 6. Revenue from contracts with customers (continued)

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	1,392,409	933,054
Superannuation contributions	151,790	96,849
Expenses related to long service leave	(12,783)	8,794
Other expenses	36,981	50,710
	<u>1,568,397</u>	<u>1,089,407</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Buildings	11,725	11,676
Leasehold improvements	7,258	35,384
Plant and equipment	2,724	2,055
Furniture and fittings	4,245	3,524
Motor vehicles	15,129	2,852
	<u>41,081</u>	<u>55,491</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>144,262</u>	<u>144,447</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	4,005	4,006
Franchise establishment fee	7,036	7,037
Franchise renewal fee	15,000	15,000
Rights to revenue share	18,000	18,000
	<u>44,041</u>	<u>44,043</u>
	<u>229,384</u>	<u>243,981</u>

Finance costs

	2025	2024
	\$	\$
Lease interest expense	12,560	15,179
Unwinding of make-good provision	4,621	3,480
	<u>17,181</u>	<u>18,659</u>

Charitable donations, sponsorships and grants expense

	2025	2024
	\$	\$
Direct donation, sponsorship and grant payments	<u>107,440</u>	<u>520,464</u>

Fleurieu Community Enterprises Ltd
Notes to the financial statements
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Note 7. Expenses (continued)

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

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	5,708	18,328
Movement in deferred tax	(621)	693
Under/over adjustment in respect for prior periods	-	(3,781)
Recoupment of prior year tax losses	2,079	9,737
	<u>7,166</u>	<u>24,977</u>
Aggregate income tax expense	<u>7,166</u>	<u>24,977</u>
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax expense	(1,719)	84,619
Tax at the statutory tax rate of 25%	(430)	21,155
Tax effect of:		
Non-deductible expenses	7,596	7,603
	<u>7,166</u>	<u>28,758</u>
Under/over adjustment in respect for prior periods	-	(3,781)
Income tax expense	<u>7,166</u>	<u>24,977</u>
	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	29,962	26,649
Employee benefits	24,358	22,419
Make-good provision	22,124	21,587
Accrued expenses	-	1,475
Carried-forward tax losses	225,379	227,458
Income accruals	(179)	(197)
Lease liabilities	73,175	93,517
Right-of-use assets	(65,292)	(81,923)
Deferred tax asset	<u>309,527</u>	<u>310,985</u>
	2025	2024
	\$	\$
Income tax refund due	<u>8,862</u>	<u>-</u>
	2025	2024
	\$	\$
Provision for income tax	<u>-</u>	<u>18,328</u>

Fleurieu Community Enterprises Ltd
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Note 8. Income tax (continued)

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	<u>131,770</u>	<u>95,166</u>

Note 10. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	<u>179,250</u>	<u>190,667</u>
Accrued income	719	787
Prepayments	<u>13,410</u>	<u>7,931</u>
	<u>14,129</u>	<u>8,718</u>
	<u><u>193,379</u></u>	<u><u>199,385</u></u>

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025	2024
	\$	\$
<i>Current assets</i>		
Term deposits	<u>119,018</u>	<u>114,405</u>

Fleurieu Community Enterprises Ltd
Notes to the financial statements
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Note 12. Property, plant and equipment

	2025	2024
	\$	\$
Buildings - at cost	93,795	93,795
Less: Accumulated depreciation	<u>(48,856)</u>	<u>(37,131)</u>
	44,939	56,664
Leasehold improvements - at cost	261,359	261,359
Less: Accumulated depreciation	<u>(226,229)</u>	<u>(218,971)</u>
	35,130	42,388
Plant and equipment - at cost	57,350	61,025
Less: Accumulated depreciation	<u>(51,478)</u>	<u>(50,870)</u>
	5,872	10,155
Furniture and fittings - at cost	18,664	19,603
Less: Accumulated depreciation	<u>(11,043)</u>	<u>(9,467)</u>
	7,621	10,136
Motor vehicles - at cost	75,645	75,645
Less: Accumulated depreciation	<u>(17,981)</u>	<u>(2,852)</u>
	57,664	72,793
	<u><u>151,226</u></u>	<u><u>192,136</u></u>

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

	Buildings	Leasehold	Plant and	Furniture and	Motor	Total
	\$	improvements	equipment	fittings	vehicles	\$
		\$	\$	\$	\$	
Balance at 1 July 2023	68,340	77,772	1,614	6,498	-	154,224
Additions	-	-	10,596	7,162	75,645	93,403
Depreciation	<u>(11,676)</u>	<u>(35,384)</u>	<u>(2,055)</u>	<u>(3,524)</u>	<u>(2,852)</u>	<u>(55,491)</u>
Balance at 30 June 2024	56,664	42,388	10,155	10,136	72,793	192,136
Additions	-	-	-	2,224	-	2,224
Disposals	-	-	(1,559)	(494)	-	(2,053)
Depreciation	<u>(11,725)</u>	<u>(7,258)</u>	<u>(2,724)</u>	<u>(4,245)</u>	<u>(15,129)</u>	<u>(41,081)</u>
Balance at 30 June 2025	<u><u>44,939</u></u>	<u><u>35,130</u></u>	<u><u>5,872</u></u>	<u><u>7,621</u></u>	<u><u>57,664</u></u>	<u><u>151,226</u></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:

Building	8 years
Leasehold improvements	5 to 10 years
Plant and equipment	5 years
Furniture and fittings	5 years

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

Fleurieu Community Enterprises Ltd
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Note 12. Property, plant and equipment (continued)

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	987,617	909,878
Less: Accumulated depreciation	<u>(726,449)</u>	<u>(582,187)</u>
	<u>261,168</u>	<u>327,691</u>

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

	Land and buildings \$
Balance at 1 July 2023	402,330
Remeasurement adjustments	69,808
Depreciation expense	<u>(144,447)</u>
Balance at 30 June 2024	327,691
Remeasurement adjustments	77,739
Depreciation expense	<u>(144,262)</u>
Balance at 30 June 2025	<u>261,168</u>

Accounting policy for right-of-use assets

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

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

Refer to note 17 for more information on lease arrangements.

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Note 14. Intangible assets

	2025	2024
	\$	\$
Goodwill - Acquisition of AlexInvest	-	187,793
Franchise fee	70,907	70,907
Less: Accumulated amortisation	(69,906)	(65,901)
	<u>1,001</u>	<u>5,006</u>
Franchise renewal fee	331,923	331,923
Less: Accumulated amortisation	(328,173)	(313,173)
	<u>3,750</u>	<u>18,750</u>
Establishment fee - Victor Harbor	31,663	31,663
Less: Accumulated amortisation	(29,904)	(22,868)
	<u>1,759</u>	<u>8,795</u>
Rights to revenue share - Goolwa	<u>187,793</u>	-
Rights to revenue share - Victor Harbor	90,000	90,000
Less: Accumulated amortisation	(76,500)	(58,500)
	<u>13,500</u>	<u>31,500</u>
	<u><u>207,803</u></u>	<u><u>251,844</u></u>

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

	Franchise fee \$	Establishme nt fee \$	Franchise renewal fee \$	Rights to revenue share - Victor Harbor \$	Rights to revenue share - Goolwa \$	Goodwill - Acquisition of AlexInvest \$	Total \$
Balance at 1 July 2023	9,012	15,832	33,750	49,500	-	187,793	295,887
Amortisation expense	(4,006)	(7,037)	(15,000)	(18,000)	-	-	(44,043)
Balance at 30 June 2024	5,006	8,795	18,750	31,500	-	187,793	251,844
Transfers in/(out)	-	-	-	-	187,793	(187,793)	-
Amortisation expense	(4,005)	(7,036)	(15,000)	(18,000)	-	-	(44,041)
Balance at 30 June 2025	<u><u>1,001</u></u>	<u><u>1,759</u></u>	<u><u>3,750</u></u>	<u><u>13,500</u></u>	<u><u>187,793</u></u>	<u><u>-</u></u>	<u><u>207,803</u></u>

Accounting policy for intangible assets

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

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

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

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Note 14. Intangible assets (continued)

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise establishment fee	Straight-line	5 years	October 2025
Franchise fee	Straight-line	5 years	October 2025
Franchise renewal fee	Straight-line	5 years	October 2025
Rights to revenue share - Victor Harbor	Straight-line	5 years	April 2026
Rights to revenue share - Goolwa	Straight-line	5 years	October 2030
Goodwill		Indefinite	N/A

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

Changes in estimates

During the year the company reassessed the classification and useful life of the intangible asset acquired as part of the merger with AlexInvest Community Services Limited in October 2020. The company has determined the asset better reflects the rights to revenue share associated with the Goolwa branch operations it acquired and therefore has a finite useful life, having previously been assessed as goodwill and having an indefinite useful life.

The asset was originally acquired for \$187,793 in October 2020. The company's reassessment of the useful life provided for a useful life of 5 years, coinciding with the term of the company's next franchise agreement, expected to be renewed in October 2025. The asset will therefore be amortised on a straight-line basis over 5 years to October 2030.

Accounting policy for goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 15. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	18,569	14,895
Other payables and accruals	124,571	78,417
	<u>143,140</u>	<u>93,312</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	143,140	93,312
less other payables and accruals (net GST payable to the ATO)	(42,309)	(28,547)
	<u>100,831</u>	<u>64,765</u>

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Note 16. Borrowings

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Bank loans	<u>53,465</u>	<u>60,372</u>
<i>Non-current liabilities</i>		
Bank loans	<u>216,449</u>	<u>269,554</u>

Bank loans

Bank loans are repayable monthly with repayments being interest-free. The loans are secured by a fixed and floating charge over the company's assets.

Accounting policy for borrowings

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

Note 17. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>125,981</u>	<u>130,657</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>166,720</u>	<u>243,413</u>

Reconciliation of lease liabilities

	2025	2024
	\$	\$
Opening balance	374,070	462,355
Remeasurement adjustments	80,210	40,983
Lease interest expense	12,560	15,179
Lease payments - total cash outflow	<u>(174,139)</u>	<u>(144,447)</u>
	<u>292,701</u>	<u>374,070</u>

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Willunga Customer Service Centre	3.54%	3 years	1 x 3 years	Yes	April 2029
Goolwa Branch	4.79%	5 years	N/A	N/A	April 2026
Aldinga Branch	7.07%	N/A	N/A	N/A	December 2025
Victor Harbor Branch	3.54%	4.5 years	1 x 5 years	Yes	September 2030

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.

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Note 17. Lease liabilities (continued)

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.

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>988,321</u>	<u>988,321</u>	<u>842,339</u>	<u>842,339</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.

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

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 219. As at the date of this report, the company had 436 shareholders (2024: 439 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.

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

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 \$
Unfranked dividend of nil cents per share (2024: 12 cents)	-	118,599

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 lease liabilities and borrowings. The company does not have any derivatives.

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

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	179,969	191,454
Cash and cash equivalents (note 9)	131,770	95,166
Investments (note 11)	119,018	114,405
	<u>430,757</u>	<u>401,025</u>
Financial liabilities		
Trade and other payables (note 15)	100,831	64,765
Lease liabilities (note 17)	292,701	374,070
Bank loans (note 16)	269,914	329,926
	<u>663,446</u>	<u>768,761</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.

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

Note 21. Financial risk management (continued)

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk, however currently all bank loans are interest free. The company held cash and cash equivalents of \$131,770 and investments of \$119,018 at 30 June 2025 (2024: \$95,166 and \$114,405).

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				
Bank loans	53,465	216,449	-	269,914
Trade and other payables	100,831	-	-	100,831
Lease liabilities	128,096	178,637	6,248	312,981
Total non-derivatives	282,392	395,086	6,248	683,726

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

Note 21. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Bank loans	60,372	269,554	-	329,926
Trade and other payables	64,765	-	-	64,765
Lease liabilities	132,834	228,503	43,739	405,076
Total non-derivatives	<u>257,971</u>	<u>498,057</u>	<u>43,739</u>	<u>799,767</u>

Note 22. Key management personnel disclosures

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

Ronald Leslie Logan	Joshua David Lee
Marissa Anne Harvey	Markus Shane Bucy
Moirra Fay Jenkins	Meagan Louise Harrison
Alison Patricia Hancock	Michael Hoffmann
Barry Kym McHugh	Stephen Shotton

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

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

Note 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.

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 \$
Ron Logan receives rental income for the Victor Harbor branch lease. The total received was:	51,678	31,814
The company sponsored the Mad Billy Cart Race ran by the Fleurieu Kiwanis. The total benefit received was:	-	30,000
The company paid a sponsorship payment to Fleurieu Future Program, of which a director is a board member. The total benefit received was:	-	66,900

Fleurieu Community Enterprises Ltd
Notes to the financial statements
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Note 24. Remuneration of auditors

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

	2025	2024
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	11,230	9,650
<i>Other services</i>		
Taxation advice and tax compliance services	265	900
General advisory services	6,159	4,225
Share registry services	5,790	5,691
	12,214	10,816
	23,444	20,466

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

	2025	2024
	\$	\$
Profit/(loss) after income tax expense for the year	(8,885)	59,642
Adjustments for:		
Depreciation and amortisation	229,384	243,981
Net loss on disposal of non-current assets	2,053	-
Interest reinvested	(4,613)	(4,718)
Lease liabilities interest	12,560	15,179
Change in operating assets and liabilities:		
Decrease in trade and other receivables	6,006	38,853
Increase in income tax refund due	(8,862)	-
Decrease in deferred tax assets	1,458	6,649
Increase/(decrease) in trade and other payables	66,580	(100,358)
Increase/(decrease) in provision for income tax	(18,328)	18,328
Increase in employee benefits	7,757	19,313
Increase in other provisions	4,621	164
Net cash provided by operating activities	289,731	297,033

Note 26. Earnings per share

	2025	2024
	\$	\$
Profit/(loss) after income tax	(8,885)	59,642
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	988,321	988,321
Weighted average number of ordinary shares used in calculating diluted earnings per share	988,321	988,321

Fleurieu Community Enterprises Ltd
Notes to the financial statements
30 June 2025

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.90)	6.03
Diluted earnings per share	(0.90)	6.03

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

Subsequent to the reporting date, the company entered into new lease agreements for both the Aldinga Beach and Willunga branches. As a result of the lease renewals, a remeasurement of the lease liability, right-of-use-asset and make-good provision has been recognised in accordance with AASB 16. This adjustment will be reflected in the financial statements for the subsequent reporting period.

The Aldinga Beach lease has been renewed for a further term of two years starting 1 October 2025. A further three year extension option available which the company has assessed it is reasonably certain to exercise, meaning the revised lease term end date is now 30 September 2030.

The Willunga lease has been renewed for a further term of three years starting 9 April 2024, the renewal was executed in August 2025 with the term backdated. No further extension options are now available, meaning the revised lease term end date is now 8 April 2027.

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

Fleurieu Community Enterprises Ltd
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



Marissa Anne Harvey
Chair

25 September 2025



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the Directors of Fleurieu Community Enterprises Ltd. Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Fleurieu Community Enterprises Ltd., is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Fleurieu Community Enterprises Ltd. (the company), which comprises the:

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

Emphasis of matter

We draw attention to note 5 in the financial report, which indicates that the company is economically dependent on its franchise agreement with Bendigo Bank, which is set to expire within 12 months from the date of this report. As stated in note 5, while the directors have a reasonable expectation that a new franchise agreement will be entered into on mutually acceptable terms and conditions, no formal agreement or letter of support has been obtained as at the date of this report.

These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.



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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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: 25 September 2025

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

Adrian Downing
Lead Auditor