

Annual Report

2025

Fraser Coast Community

Enterprise Ltd

Community Bank Hervey Bay Branch

abn 46 116 567 072

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Chair's Report

It is my privilege and pleasure to present the Annual Report for 2024 - 2025 financial year on behalf of the Board of Fraser Coast Community Enterprise Limited (FCCE).

The last year has again been both challenging and rewarding for FCCE.

As the Fraser Coast community has continued to be confronted with the headwinds of increasing cost of living pressures balanced by the decision of the Reserve Bank to cut headline interest rates on three occasions in the last year, the price margins that our community bank operates with created certain challenges, which the branch and our board have adapted to, to ensure the continued short to medium term future sustainability and profitability of FCCE.

A decision was made by the board to acquire the branch premise from the RSL was made to future proof the stability and financial position of FCCE into the future. By removing the ongoing including rent it will permit the board, into the future, to direct greater funds towards the community and its shareholders.

As you are aware, the Bendigo Community Bank model is unique in its nature and structure. The Community Bank's model allows for up to 20% of profits to be distributed to its shareholders and remaining profits are available for the Company to return to and invest in, the local community.

Over the last number of years, the Board members have identified major projects that we could support which would see our donations contribute to real and meaningful changes for individuals or groups within our community. In the last reporting year those projects included FCCE continuing with our support LifeFlight Australia. We have also supported the Jonathan Thurston Academy and separately the construction of the almost complete basketball stadium planned for the sports precinct.

Separate to the support of the above organisations, our Branch Manager, Mr Tim Evans with the support of the FCCE Board has continued with our youth engagement program which is focused on encouraging the youth in the Fraser Coast region to engage and participate in volunteer and charitable endeavors which in turn are financially rewarded in kind by FCCE in direct donations to that school which participated in the program. Whilst in its infancy we now have three local schools engaged in the Doing Good by Doing Good Program.

Turning to the financial position of FCCE, in the past year the Board has worked to address the ongoing challenges of the financial market in our region and to capitalise on the opportunities that our Branch Manager, Tim Evans, and his team have been able to create. The combined team effort has seen an increase in revenue and significant growth in the company's Balance Sheet and the shareholder's equity.

This growth is demonstrated by the enclosed Financial Report which shows the year's net profit to be \$461,376, resulting in earnings per share of \$56.96. The total equity of

FCCE has increased to \$1,911.863 which is almost \$421,000 more than the previous year.

As a Board, we are grateful for the ongoing support and commitment of our shareholders - the local people who have invested in the future of FCCE and, most importantly, the well-being and prosperity of our region. Without their investment, FCCE would not exist and our community would not have access to some of the nation's best financial products and services, nor be able to benefit from the generosity and support our Community Bank. Last financial year FCCE returned \$328,000 to the community in donations.

We are indebted to our branch staff for their enormous effort and patience over what has been a challenging and extremely busy twelve months. Tim has continued to lead his team with professionalism, motivation and outstanding service. He has proven to be both approachable and adaptable, giving thoughtful advice to the Board and expert service and advice to our customers. We thank Tim and his team for a wonderful and profitable year.

As Chair of the Board, I am immensely grateful for the commitment, expertise and wise counsel of my Board colleagues. Fraser Coast Community Enterprise Limited is indeed fortunate to have the ready services of a volunteer group of well-qualified, diversely skilled and community-minded people.

Our thanks also go to the regional management of the Bendigo Bank. The regional managers and Bendigo Bank staff have always shown a willingness to share ideas, support initiatives and offer expert service. The Bendigo Bank brand continues to grow and respond in times of need and opportunity.

Finally, to our many customers, new and long-term alike, thank you for your commitment, faith and promotion of our bank and business. Our aim is to be of service and we are very grateful for your trust and banking business.

Best wishes to all throughout our wonderful region over the coming months and years.

Thank you.

Justin Geldard
Chair

Branch Manager's Report

The strength of a community is measured not only in its resilience during challenging times, but in the way people come together to achieve shared success. This year has demonstrated exactly that, and I am proud of the achievements of our Community Bank

Our total business has grown to \$284 million, and we are proud to have now returned more than \$1 million to our local communities through sponsorships, grants, donations, and dividends. These results reflect the ongoing trust of our customers and the dedication of our team.

We now have more than 5000 customers across the Fraser coast and Australia.

Over the past year, our lending team has assisted more than 100 customers in reaching key milestones such as purchasing homes, vehicles, and undertaking renovations. Their ability to combine professional expertise with genuine care makes these significant life decisions smoother and more meaningful for our customers. These achievements are made possible through the commitment of our staff, the tireless work of our volunteer Directors, and the unwavering support of our shareholders and customers.

This year we said goodbye to the wonderful Linda Brown. After 19 years of impeccable service to the community bank Linda has retired. On behalf of the staff and board, and your adoring customers, we thank you Linda.

Looking ahead, our focus remains on deepening relationships with our customers, expanding our impact within the community, and ensuring that our business continues to grow in a way that benefits all. On behalf of our team, I sincerely thank our shareholders, customers, Directors, staff, and partners for their continued support. Together, we are building a stronger future for our community

Tim Evans

Branch Manager

Community Bank Hervey Bay

Fraser Coast Community Enterprise Limited

ABN 46 116 567 072

Financial Report - 30 June 2025

Fraser Coast Community Enterprise Limited

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: Justin Maxwell Geldard
Title: Non-executive director
Experience and expertise: Bachelor Laws and Business (Banking & Finance) from Queensland University of Technology. Admitted as practitioner of Queensland Supreme Court, High Court of Australia. Member of Family Lawyers Association and Queensland Collaborative Lawyers. President of Hervey Bay Cricket Association. Manager of Harvey Bay OzTag Representative team and Chairperson of Hervey Bay Seagulls judicial tribunal.

Special responsibilities: Chair

Name: Gerard Daniel O'Connell
Title: Non-executive director
Experience and expertise: Business Management and Strategic Development in the Education, Motor Vehicle, Employment, Retail, Hospitality, Local Government and Development sectors. Bachelor of Business (Accounting). Bachelor of Theology. Member of Australian Institute of Company Directors. Board Member of Hervey Bay RSL and Bayswater Pty Ltd. Chair of St. Mary's Catholic Finance Committee.

Special responsibilities: Nil

Name: David John Kimber
Title: Non-executive director
Experience and expertise: Licensed Plumber & Drainer. Involved with the Maryborough/Harvey Bay Ski Club and Hervey Bay Triathlon Club. Director of Kimber Plumbing.

Special responsibilities: Nil

Name: Susan Mary Gordon
Title: Non-executive director
Experience and expertise: Susan is a registered BAS Agent, has an advanced Diploma in Accounting and is a fellow in The Institute of Certified Bookkeepers. She is a Life Member of Hervey Bay Netball Association.

Special responsibilities: Network facilitator ICB - Wide Bay

Name: Andrew John Broad
Title: Non-executive director
Experience and expertise: Hon. Andrew Broad is a business owner and experienced company director, on a range of not-for-profit and commercial boards. He is an Australian Nuffield Scholar, former Assistant Minister to the Deputy Prime Minister of Australia and Federal member of the Australian Parliament from 2013-2019. Having served as a delegate to APEC he brings extensive global experience. Graduate Australian Institute of Company Directors.

Special responsibilities: Nil

Name: Neil Alexander Bradshaw
Title: Non-executive director
Experience and expertise: Neil obtained a Bachelor of Business from the University of Southern Queensland, majoring in Accounting and Marketing. At Southern Cross Austereo Neil was the Account Manager from 1996-2001 (5 years), General Sales manager from 2001-2017 (16 years) and is the current General Manager. Neil is a Council Member of the Fraser Coast Anglican College and the current Vice President of the Harvey Bay Chamber of Commerce.

Special responsibilities: Nil

Fraser Coast Community Enterprise Limited

Directors' report

30 June 2025

Name: Dale Nathan Paxton
Title: Non-executive director
Experience and expertise: Dale is a small import business owner, on the board of directors for frontline stores, technical director of Regional Football and has a Degree in Business Management.
Special responsibilities: Audit committee

Name: Janelle Margaret Shaw
Title: Non-executive director
Experience and expertise: Janelle Shaw is retired, previously working as a partner in the Ulton Group and has many years of experience providing corporate services and taxation advice to a wide range of clients, including prominent local companies and businesses. Janelle specialised in the fields of business development, creating innovative & effective financial strategies and planning for wealth creation, as well as information technology, superannuation planning and risk management. Janelle has resided in the Fraser Coast her entire life and through this has established many local contacts in the community, especially the business sector. Having also served on many not for profit associations throughout this time. Janelle's formal qualifications and memberships include a Bachelor of Business (Professional Accountancy / End User Computing), Fellow Member of the National Institute of Accountants, Associate Member of the Institute of Financial Services, Registered Tax Agent, Commissioner for Declarations and Affiliate Member of the Institute of Chartered Accountants.
Special responsibilities: Treasurer

Name: Michelle Nicole Jordan
Title: Non-executive director
Experience and expertise: Michelle has a Bachelor of Business Management as well as qualifications in Divisional Therapy and Child Care. Michelle has been a small business operator for the past 12 years in the mining industry and news agencies. Michelle also has extensive management experience in community nursing facilities and nursing homes. Michelle is an active participant as a volunteer in a range of community activities including Hervey Bay Basketball, Central Districts Representative Committee, Hervey Bay Netball Association and Cosmos Netball Club.
Special responsibilities: Nil

Name: Lisa Daniel
Title: Non-executive director
Experience and expertise: Business academic for 25 years in the fields of strategic management, organisational design, innovation, social enterprises, regional entrepreneurship, entrepreneurial ecosystems, technology and innovation management, corporate social responsibility, business ethics and governance, regional development, organisational knowledge. Secretary of Wide Bay Sexual Assault Services (WBSAS). Vice President of Hervey Bay Chamber of Commerce (HBCC).
Special responsibilities: Nil

Name: Cody Sauer
Title: Non-executive director
Experience and expertise: Cody is a successful small business owner and operator.
Special responsibilities: Nil

Company secretary

The company secretary is Susan Mary Gordon. Susan was appointed to the position of company secretary on 25 November 2020.

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.

Fraser Coast Community Enterprise Limited
Directors' report
30 June 2025

Review of operations

The profit for the company after providing for income tax amounted to \$461,376 (30 June 2024: \$533,010).

Operations have continued to perform in line with expectations.

Dividends

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

	2025 \$	2024 \$
Fully franked dividend of 5 cents per share (2024: Unfranked dividend of 5 cents per share)	<u>40,500</u>	<u>40,500</u>

Significant changes in the state of affairs

During the financial year, the company purchased the branch premises that it had previously occupied under a lease arrangement. The company has derecognised the lease liability and make-good provision.

There were no other 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
Justin Maxwell Geldard	13	12
Gerard Daniel O'Connell	13	7
David John Kimber	13	13
Susan Mary Gordon	13	11
Andrew John Broad	13	9
Neil Alexander Bradshaw	13	4
Dale Nathan Paxton	13	10
Janelle Margaret Shaw	13	10
Michelle Nicole Jordan	13	5
Lisa Daniel	13	7
Cody Sauer	13	13

Eligible: represents the number of meetings held during the time the director held office.

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 25 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.

Fraser Coast Community Enterprise Limited
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
Justin Maxwell Geldard	-	-	-
Gerard Daniel O'Connell	-	-	-
David John Kimber	-	-	-
Susan Mary Gordon	-	-	-
Andrew John Broad	-	-	-
Neil Alexander Bradshaw	-	-	-
Dale Nathan Paxton	-	-	-
Janelle Margaret Shaw	-	-	-
Michelle Nicole Jordan	-	-	-
Lisa Daniel	-	-	-
Cody Sauer	-	-	-

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 26 to the accounts.

Fraser Coast Community Enterprise Limited
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 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



Susan Mary Gordon
Secretary

20 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 Fraser Coast Community Enterprise Limited

As lead auditor for the audit of Fraser Coast Community Enterprise Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', with a horizontal line extending to the right.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 20 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing', with a horizontal line extending to the right.

Adrian Downing
Lead Auditor

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,847,360	1,767,496
Other revenue		-	18,247
Finance revenue		36,736	36,025
Gain on remeasurement of right-of-use assets	7	109,164	-
Total revenue		<u>1,993,260</u>	<u>1,821,768</u>
Employee benefits expense	8	(710,219)	(616,463)
Advertising and marketing costs		(29,531)	(33,466)
Occupancy and associated costs		(37,419)	(33,455)
System costs		(44,690)	(37,720)
Depreciation and amortisation expense	8	(89,725)	(105,469)
Finance costs	8	(23,781)	(28,174)
General administration expenses		(114,485)	(128,738)
Total expenses before community contributions and income tax expense		<u>(1,049,850)</u>	<u>(983,485)</u>
Profit before community contributions and income tax expense		943,410	838,283
Charitable donations and sponsorships expense		<u>(328,242)</u>	<u>(130,977)</u>
Profit before income tax expense		615,168	707,306
Income tax expense	9	<u>(153,792)</u>	<u>(174,296)</u>
Profit after income tax expense for the year		461,376	533,010
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>461,376</u></u>	<u><u>533,010</u></u>
		Cents	Cents
Basic earnings per share	28	56.96	65.80
Diluted earnings per share	28	56.96	65.80

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

Fraser Coast Community Enterprise Limited
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	307,958	581,564
Trade and other receivables	11	218,086	167,825
Investments	12	504,707	818,535
Current tax assets	9	13,919	-
Total current assets		<u>1,044,670</u>	<u>1,567,924</u>
Non-current assets			
Property, plant and equipment	13	1,342,232	224,421
Right-of-use assets	14	-	472,896
Intangible assets	15	12,054	24,741
Deferred tax assets	9	19,753	37,464
Total non-current assets		<u>1,374,039</u>	<u>759,522</u>
Total assets		<u>2,418,709</u>	<u>2,327,446</u>
Liabilities			
Current liabilities			
Trade and other payables	16	31,330	131,059
Borrowings	17	91,000	-
Lease liabilities	18	-	69,826
Current tax liabilities	9	-	39,011
Employee benefits	19	37,655	53,019
Total current liabilities		<u>159,985</u>	<u>292,915</u>
Non-current liabilities			
Borrowings	17	301,050	-
Lease liabilities	18	-	482,101
Employee benefits	19	45,811	32,510
Provisions		-	28,933
Total non-current liabilities		<u>346,861</u>	<u>543,544</u>
Total liabilities		<u>506,846</u>	<u>836,459</u>
Net assets		<u>1,911,863</u>	<u>1,490,987</u>
Equity			
Issued capital	20	789,732	789,732
Retained earnings		<u>1,122,131</u>	<u>701,255</u>
Total equity		<u>1,911,863</u>	<u>1,490,987</u>

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

Fraser Coast Community Enterprise Limited
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		789,732	208,745	998,477
Profit after income tax expense		-	533,010	533,010
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	533,010	533,010
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(40,500)	(40,500)
Balance at 30 June 2024		<u>789,732</u>	<u>701,255</u>	<u>1,490,987</u>
Balance at 1 July 2024		789,732	701,255	1,490,987
Profit after income tax expense		-	461,376	461,376
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	461,376	461,376
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(40,500)	(40,500)
Balance at 30 June 2025		<u>789,732</u>	<u>1,122,131</u>	<u>1,911,863</u>

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

Fraser Coast Community Enterprise Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,034,034	1,948,940
Payments to suppliers and employees (inclusive of GST)		(1,567,663)	(1,162,227)
Interest received		56,136	21,091
Interest and other finance costs paid		(2,370)	(35)
Income taxes paid		<u>(231,374)</u>	<u>(205,016)</u>
Net cash provided by operating activities	27	<u>288,763</u>	<u>602,753</u>
Cash flows from investing activities			
Redemption of/(payments for) investments		313,828	(416,946)
Payments for property, plant and equipment		(1,153,688)	(7,620)
Payments for intangibles		(12,687)	(12,687)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>20,000</u>
Net cash used in investing activities		<u>(852,547)</u>	<u>(417,253)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(20,721)	(26,813)
Proceeds from/(repayment of) borrowings		392,050	(9,580)
Dividends paid	22	(40,500)	(40,500)
Repayment of lease liabilities		<u>(40,651)</u>	<u>(44,527)</u>
Net cash provided by/(used in) financing activities		<u>290,178</u>	<u>(121,420)</u>
Net increase/(decrease) in cash and cash equivalents		(273,606)	64,080
Cash and cash equivalents at the beginning of the financial year		<u>581,564</u>	<u>517,484</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>307,958</u></u>	<u><u>581,564</u></u>

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

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 1. Reporting entity

The financial statements cover Fraser Coast Community Enterprise Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 7, 55-59 Main Street, Pialba QLD 4655.

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 20 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.

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.

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, incurrance of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Note 5. Economic dependency

The company 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, in June 2026. 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.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 5. Economic dependency (continued)

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	1,657,506	1,574,503
Fee income	93,081	89,956
Commission income	96,773	103,037
	<u>1,847,360</u>	<u>1,767,496</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 6. Revenue from contracts with customers (continued)

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.

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. Gain on remeasurement of right-of-use assets

	2025	2024
	\$	\$
Gain on remeasurement of right-of-use assets	<u>109,164</u>	<u>-</u>

During the financial year, the company purchased the branch premises that it had previously occupied under a lease arrangement. The existing lease agreement was cancelled effective 9 May 2025 (purchase date), with the associated right-of-use asset, lease liability and make-good provision derecognised, resulting in a gain on remeasurement.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 8. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	599,771	524,455
Non-cash benefits	-	1,011
Superannuation contributions	73,141	58,477
Expenses related to long service leave	5,783	(490)
Other expenses	31,524	33,010
	<u>710,219</u>	<u>616,463</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Improvements	18,961	18,962
Plant and equipment	7,614	14,803
Motor vehicles	9,302	9,595
	<u>35,877</u>	<u>43,360</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	41,161	49,423
<i>Amortisation of intangible assets</i>		
Franchise fee	2,114	2,115
Franchise renewal process fee	10,573	10,571
	<u>12,687</u>	<u>12,686</u>
	<u>89,725</u>	<u>105,469</u>

Finance costs

	2025	2024
	\$	\$
Bank loan interest paid or accrued	2,370	-
Lease interest expense	20,721	26,813
Unwinding of make-good provision	690	1,326
Chattel mortgage interest expense	-	35
	<u>23,781</u>	<u>28,174</u>

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

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 9. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	136,081	181,804
Movement in deferred tax	17,711	(4,977)
Under/over provision in respect to prior years	-	(2,531)
	<u>153,792</u>	<u>174,296</u>
<i>Aggregate income tax expense</i>		
	<u>153,792</u>	<u>174,296</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	615,168	707,306
Tax at the statutory tax rate of 25%	153,792	176,827
Under/over provision in respect to prior years	-	(2,531)
	<u>153,792</u>	<u>174,296</u>
Income tax expense	<u>153,792</u>	<u>174,296</u>
	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(1,113)	(7,159)
Employee benefits	-	21,382
Provision for lease make good	-	7,233
Accrued expenses	-	1,100
Income accruals	20,866	(4,850)
Lease liabilities	-	137,982
Right-of-use assets	-	(118,224)
	<u>19,753</u>	<u>37,464</u>
Deferred tax asset	<u>19,753</u>	<u>37,464</u>
	2025	2024
	\$	\$
Income tax refund due	<u>13,919</u>	<u>-</u>
	2025	2024
	\$	\$
Provision for income tax	<u>-</u>	<u>39,011</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

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.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
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Note 10. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	<u>307,958</u>	<u>581,564</u>

Note 11. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	<u>137,521</u>	<u>139,107</u>
Other receivables	72,852	-
Other receivables and accruals	800	800
Accrued income	-	19,400
Prepayments	<u>6,913</u>	<u>8,518</u>
	<u>218,086</u>	<u>167,825</u>

	2025	2024
	\$	\$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	218,086	167,825
Less GST refundable from the ATO, included in trade and other receivables	(85,895)	-
Less prepayments	<u>(6,913)</u>	<u>(8,518)</u>
	<u>125,278</u>	<u>159,307</u>

Accounting policy for trade and other receivables

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

Note 12. Investments

	2025	2024
	\$	\$
<i>Current assets</i>		
Term deposits	-	818,535
Sandhurst account	<u>504,707</u>	<u>-</u>
	<u>504,707</u>	<u>818,535</u>

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Note 13. Property, plant and equipment

	2025 \$	2024 \$
Land and buildings - at cost	1,147,601	-
Improvements - at cost	256,169	256,169
Less: Accumulated depreciation	<u>(109,125)</u>	<u>(90,164)</u>
	147,044	166,005
Plant and equipment - at cost	140,228	134,141
Less: Accumulated depreciation	<u>(119,783)</u>	<u>(112,169)</u>
	20,445	21,972
Motor vehicles - at cost	46,511	46,511
Less: Accumulated depreciation	<u>(19,369)</u>	<u>(10,067)</u>
	27,142	36,444
Computer equipment - at cost	1,813	1,813
Less: Accumulated depreciation	<u>(1,813)</u>	<u>(1,813)</u>
	-	-
	<u>1,342,232</u>	<u>224,421</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 \$	Improvements \$	Plant and equipment \$	Motor Vehicle \$	Total \$
Balance at 1 July 2023	-	184,967	29,155	47,792	261,914
Additions	-	-	7,620	-	7,620
Disposals	-	-	-	(1,753)	(1,753)
Depreciation	-	<u>(18,962)</u>	<u>(14,803)</u>	<u>(9,595)</u>	<u>(43,360)</u>
Balance at 30 June 2024	-	166,005	21,972	36,444	224,421
Additions	1,147,601	-	6,087	-	1,153,688
Depreciation	-	<u>(18,961)</u>	<u>(7,614)</u>	<u>(9,302)</u>	<u>(35,877)</u>
Balance at 30 June 2025	<u>1,147,601</u>	<u>147,044</u>	<u>20,445</u>	<u>27,142</u>	<u>1,342,232</u>

Additions

During the financial year, the company purchased the previously leased branch premises, for a total of \$1,147,601.

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:

Improvements	1 to 15 years
Plant and equipment	1 to 40 years
Computer equipment	2.5 years
Motor vehicle	5 years

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

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Note 13. Property, plant and equipment (continued)

Improvements are depreciated over the estimated useful life of the assets. Land is not depreciated.

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 14. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	-	719,607
Less: Accumulated depreciation	-	(246,711)
	<u>-</u>	<u>472,896</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	516,047
Remeasurement adjustments	6,272
Depreciation expense	<u>(49,423)</u>
Balance at 30 June 2024	472,896
Remeasurement adjustments	(431,735)
Depreciation expense	<u>(41,161)</u>
Balance at 30 June 2025	<u>-</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 18 for more information on lease arrangements.

Note 15. Intangible assets

	2025 \$	2024 \$
Franchise fee	21,870	21,870
Less: Accumulated amortisation	<u>(19,757)</u>	<u>(17,643)</u>
	<u>2,113</u>	<u>4,227</u>
Franchise renewal fee	109,349	109,349
Less: Accumulated amortisation	<u>(99,408)</u>	<u>(88,835)</u>
	<u>9,941</u>	<u>20,514</u>
	<u>12,054</u>	<u>24,741</u>

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Note 15. Intangible assets (continued)

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	6,342	31,085	37,427
Amortisation expense	(2,115)	(10,571)	(12,686)
Balance at 30 June 2024	4,227	20,514	24,741
Amortisation expense	(2,114)	(10,573)	(12,687)
Balance at 30 June 2025	<u>2,113</u>	<u>9,941</u>	<u>12,054</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 are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2026

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

Note 16. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	4,218	4,442
Other payables and accruals	27,112	126,617
	<u>31,330</u>	<u>131,059</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	31,330	131,059
less other payables and accruals (net GST payable to the ATO)	-	(30,853)
	<u>31,330</u>	<u>100,206</u>

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Note 17. Borrowings

	2025 \$	2024 \$
<i>Current liabilities</i>		
Bank loan	91,000	-
<i>Non-current liabilities</i>		
Bank loan	301,050	-

Bank loans

Bank loans were obtained to fund purchase of branch premises. Interest is recognised at rate of 6.75%. 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.

The loan agreement requires the entity to maintain compliance with specified covenants, including obtaining an independent valuation of the secured property at least every three years.

Note 18. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	-	69,826
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	-	482,101

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	551,927	591,358
Remeasurement adjustments	(511,276)	5,096
Lease interest expense	20,721	26,813
Lease payments - total cash outflow	(61,372)	(71,340)
	-	551,927

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.

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Note 18. Lease liabilities (continued)

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
Hervey Bay Branch	4.79%	10 years	5 years	Yes	January 2034

Remeasurement adjustments

During the financial year, the above lease was cancelled effective 9 May 2025 following the company's purchase of premises.

Note 19. Employee benefits

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	37,327	46,967
Long service leave	328	6,052
	<u>37,655</u>	<u>53,019</u>
<i>Non-current liabilities</i>		
Long service leave	<u>45,811</u>	<u>32,510</u>

Accounting policy for short-term employee benefits

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

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 20. Issued capital

	2025	2024	2025	2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	810,000	810,000	810,000	810,000
Less: Equity raising costs	-	-	(20,268)	(20,268)
	<u>810,000</u>	<u>810,000</u>	<u>789,732</u>	<u>789,732</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

Note 20. Issued capital (continued)

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 225. As at the date of this report, the company had 239 shareholders (2024: 239 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.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 21. 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 22. Dividends

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

	2025	2024
	\$	\$
Fully franked dividend of 5 cents per share (2024: Unfranked dividend of 5 cents per share)	<u>40,500</u>	<u>40,500</u>

Franking credits

	2025	2024
	\$	\$
Franking account balance at the beginning of the financial year	205,016	-
Franking credits (debits) arising from income taxes paid (refunded)	231,374	205,016
Franking debits from the payment of franked distributions	<u>13,500</u>	<u>-</u>
	<u>449,890</u>	<u>205,016</u>

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	449,890	205,016
Franking credits (debits) that will arise from payment (refund) of income tax	<u>(13,919)</u>	<u>39,011</u>
Franking credits available for future reporting periods	<u>435,971</u>	<u>244,027</u>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Accounting policy for dividends

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

Note 23. 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.

Fraser Coast Community Enterprise Limited
Notes to the financial statements
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Note 23. Financial risk management (continued)

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 excluding prepayments (note 11)	125,278	159,307
Cash and cash equivalents (note 10)	307,958	581,564
Investments (note 12)	504,707	818,535
	<u>937,943</u>	<u>1,559,406</u>
Financial liabilities		
Trade and other payables (note 16)	31,330	100,206
Lease liabilities (note 18)	-	551,927
Borrowings (note 17)	392,050	-
	<u>423,380</u>	<u>652,133</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 23. Financial risk management (continued)

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$307,958 and investments of \$504,707 at 30 June 2025 (2024: \$581,564 and \$818,535).

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	91,000	301,050	-	392,050
Trade and other payables	31,330	-	-	31,330
Total non-derivatives	<u>122,330</u>	<u>301,050</u>	<u>-</u>	<u>423,380</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	131,059	-	-	131,059
Lease liabilities	71,340	285,360	326,975	683,675
Total non-derivatives	<u>202,399</u>	<u>285,360</u>	<u>326,975</u>	<u>814,734</u>

Note 24. Key management personnel disclosures

Directors

The following persons were directors of Fraser Coast Community Enterprise Limited during the financial year and up to the date of signing of these Financial Statements.

Justin Maxwell Geldard
Gerard Daniel O'Connell
David John Kimber
Susan Mary Gordon
Andrew John Broad
Neil Alexander Bradshaw

Dale Nathan Paxton
Janelle Margaret Shaw
Michelle Nicole Jordan
Lisa Daniel
Cody Sauer

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 24. Key management personnel disclosures (continued)

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 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

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

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
	\$	\$
The company leases their premises from a company one of the directors is a Board Member of.	61,372	82,844
The company used the radio and television services of a company one of the directors is the General Manager of.	7,980	11,000
The company used the bookkeeping services of one of its directors.	30,030	27,825
The company used Gerard Sherrington Lawyers for conveyancing services which a director is owner of.	2,307	-
The company purchased their premises from a company one of the directors is a Board Member of.	1,147,601	-

Note 26. 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	<u>7,930</u>	<u>6,650</u>
<i>Other services</i>		
Taxation advice and tax compliance services	705	1,514
General advisory services	3,580	3,420
Share registry services	<u>6,010</u>	<u>4,839</u>
	<u>10,295</u>	<u>9,773</u>
	<u><u>18,225</u></u>	<u><u>16,423</u></u>

Fraser Coast Community Enterprise Limited
Notes to the financial statements
30 June 2025

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2025	2024
	\$	\$
Profit after income tax expense for the year	461,376	533,010
Adjustments for:		
Depreciation and amortisation	89,725	105,469
Net gain on disposal of non-current assets	-	(18,247)
Gain on remeasurement of right-of-use assets	(109,164)	-
Lease liabilities interest	20,721	26,813
Change in operating assets and liabilities:		
Increase in trade and other receivables	(50,261)	(12,801)
Increase in income tax refund due	(13,919)	-
Decrease/(increase) in deferred tax assets	17,711	(4,977)
Increase/(decrease) in trade and other payables	(45,031)	5,376
Decrease in provision for income tax	(81,022)	(26,095)
Decrease in employee benefits	(2,063)	(7,122)
Increase in other provisions	690	1,327
Net cash provided by operating activities	<u>288,763</u>	<u>602,753</u>

Note 28. Earnings per share

	2025	2024
	\$	\$
Profit after income tax	<u>461,376</u>	<u>533,010</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>810,000</u>	<u>810,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>810,000</u>	<u>810,000</u>
	Cents	Cents
Basic earnings per share	56.96	65.80
Diluted earnings per share	56.96	65.80

Accounting policy for earnings per share

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

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. 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.

Fraser Coast Community Enterprise Limited
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



Susan Mary Gordon
Secretary

20 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 report to the Directors of Fraser Coast Community Enterprise Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fraser Coast Community Enterprise Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Fraser Coast Community Enterprise Limited, is in accordance with the *Corporations Act 2001*, including:

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

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.

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.



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

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.

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 2024, 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.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', written in a cursive style.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 20 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing', written in a cursive style.

Adrian Downing
Lead Auditor

Community Bank Hervey Bay
55 Main Street, Pialba. QLD. 4655
Phone: (07) 4124 6201

Franchisee: Fraser Coast Community Enterprise Ltd
55 Main Street, Pialba. QLD. 4655
Phone: (07) 4124 6201
abn: 46 116 567 072
Email: secretary@bankcommunity.com.au

Share Registry:
(03) 5443 0344
afs@afsbendigo.com.au

www.bendigobank.com.au