

Annual Report 2025

Grampians Regional
Community Enterprises
Limited

Community Bank
Dunkeld & District

ABN 29 139 414 234



Annual Reports

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Chairman's Report

For year ending 30 June 2025

The Community Bank Dunkeld and District certainly experienced another challenging year as our bank like many others is working hard to establish its foothold in the competitive and changing market that confronts the banking industry.

Our total business footings of \$141.7 million fell by \$400,000 at the end 30th June 2025. The business profit generated for 2024 /25 was \$76,573 in addition to providing \$278,513 to our Foundation with some of that figure being gifted to charitable bodies, sponsorships and grants.

Since 2010, \$935,270 has been set aside to distribute into our local communities.

Our bank prides itself on employing locals who live and contribute to our communities and again albeit we have had some staff changes we were able to appoint new staff members from our local region.

During the year our Branch Manager Jack Oswald resigned to take up a senior role within the Bendigo Bank and two staff members Lorelle Bath and Ella Price both left our bank reluctantly moving away from the region. The Board are extremely grateful and thank them for the wonderful contribution they made to our bank.

Excitingly, we were able to appoint Kirsten Kershaw who moved from the Hamilton Branch to become our Branch Manager. Kirsten has had an immediate impact on the business and we look forward to seeing the direction Kirsten is taking the bank into the future. Also were very lucky to have Sharon Hobbes come onto our staff as our Customer Services Officer. Sharon brings a wealth of banking knowledge to her role. Our last and exciting appointment was Chloe Frost who grew up in Dunkeld and has adapted very well to her Customer Service role. Our longest serving staff member Louise Field and Abbey Wardlaw continue to be wonderful assets for our Bank.

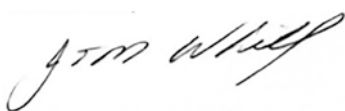
The Board would like to acknowledge and thank all the staff for their wonderful commitment to our communities and business and the great support you lend to our customers. The Board appreciate and thank our Regional Manager, Stacey O'Neil for her guidance and support of our Branch.

The bank is only as strong as its Board. I have been very fortunate to sit alongside and work with an extremely committed and a diverse and talented Board. Their instruction and guidance have made my role as Chairman a pleasure and I thank each Board member sincerely for their continued contribution.

We had one Board member retire through the year and we acknowledge the enormous contribution and thank Anthony Page (foundation Board Member) for his many years of dedicated service to the GRCE Board.

We approach the future with real optimism and look forward to expanding our Agri Business portfolio as the migration of the Rural Bank to Bendigo Agri Business takes shape.

Our community bank team are the reason we continue to grow our business and this flows through to supporting our communities to prosper. So please give our community bank team the opportunity to help you, to ensure your financial future and to be part of the community's future prosperity.



Jock Whiting
Chairman

Manager's Report

For year ending 30 June 2025

It is with pleasure that I submit my annual report to the Board and shareholders for the 2024/25 financial year.

I would like to thank the team for their commitment and passion to our branch, the Bank and our community. There have been several staff changes over the 12-month period, with myself starting as the Branch Manager on the 26th of May 2025, taking the place of Jack Oswald who led the branch over the 24/25 Financial Year. Jack left the branch to pursue a career – still within Bendigo Bank - in the Virtual World as Team Manager Virtual Home Lending.

Lorelle finished in December 2024 to pursue new adventures.

Ella left too in March to once again stay with in the Bendigo Bank but be closer to her partner in Ararat.

Which left 2 vacancies.

Sharon started in March with previous experience and knowledge in the Bendigo Bank way of working, and has proven to be an amazing asset to both myself and the community with her passion for banking and people.

Chloe started a little after Sharon in late March, as her first permanent role after finishing school in 2024.

Chloe has become a valued member of the team and is learning more every week, being a local and knowing so many people is a true inspiration and shows what this community is capable of.

Abbey completed her first year with the Branch as the Customer Relationship Manager, forging relationships with existing customers and bringing new customers into the branch. Lending is a huge role to master, she is taking it on with gusto.

Louise is the longest team member, her passion and knowledge within the community is unwavering.

The skills she has, and the relationships she has built over the 9 years are evident, with the respect the customers have for her.

In all the team at Dunkeld are a powerhouse of Knowledge and Passion for our Community.

I am so excited to see the fruits of our labours this Financial year.

Thanks to our customers, our Board of Directors, and our shareholders for their ongoing support. I would also like to thank our Bendigo and Adelaide Bank representatives, especially our Regional Manager Stacey O'Neill for her on-going support this year. We have worked well together & I look forward to continuing this into the future. We truly have a close working relationship with the Bendigo Bank head office, state office and regional support staff.

It was not the best year for our Lending Growth. We started the year with \$38m and unfortunately ended the financial year on \$36m

Deposits on the other hand increased from \$63m and ended on \$69m

I ask for our shareholders help in bringing new business to the branch, either your own, your acquaintances or with an introduction to community groups you are involved in. Your help is invaluable to growing our business and with every new customer and account opening, that's more funds that are available to be paid in community contributions and in dividends.

Banking is an everyday function for every single person in the community.

The difference with the Community Bank model is that every time people bank with their local Community Bank branch, the bottom line increases and as such, community contributions and dividends increase as well.

Regards,



Kirsten Kershaw
Branch Manager

BEN Message

For year ending 30 June 2025

This year marks another significant chapter in our shared journey, one defined by **adaptation, collaboration, and remarkable achievements**. I'm immensely proud of our collective progress and the unwavering commitment demonstrated by our combined networks.

We began 2025 with a renewed focus on **model evolution**, a top priority that guided our decisions and initiatives throughout the year. This involved navigating the Franchising Code and broader regulatory changes to the **Franchise Agreement**. Thanks to the network's proactive engagement and cooperation, we successfully reviewed the agreement, and the necessary changes were implemented smoothly.

Beyond the operational successes, I want to highlight the **invaluable contributions** our Community Banks continue to make to their local communities. The dedication and commitment to supporting local initiatives remain a cornerstone of our combined success and a source of immense pride for Bendigo Bank.

In FY25, more than \$50 million was invested in local communities, adding to a total of and \$416 million since 1998. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your resilience, adaptability, and unwavering belief in our vision have been instrumental in our success. You are an integral part of the Bendigo Bank Community Banking family.

Your continued support is vital, and the results we've achieved together in 2025 underscore the continuing relevance and importance of the Community Bank model.



Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank Network: Embracing Our Guiding Principles

A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model. The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formerly certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

Dividend payment history

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level	Date Paid
2017/2018	.03	Unfranked	1 December 2018
2018/2019	.04	Unfranked	1 December 2019
2019/2020	.05	Unfranked	1 December 2020
2020/2021	.06	Fully Franked	1 December 2021
2021/2022	.05	Fully Franked	1 December 2022
2022/2023	.05	Fully Franked	1 December 2023
2023/2024	.05	Fully Franked	1 December 2024
2024/2025	.05	Fully Franked	1 December 2025

Community Investment Report

For year ending 30 June 2025

For year ending 30 June 2025 Grampians Regional Community Enterprises Pty Ltd (GRCEL) operates the Community Bank Dunkeld & District and is proud to invest in our communities through the Community Investment Program. Our main aim of the program is to promote positive change in the community. Growing our customer base enables this unique banking model to thrive and prosper, thereby allowing us to continue to invest in the community. During 2024 -2025 we invested \$14,327.06 in our communities. Since opening the Community Bank Dunkeld & District in 2010, \$935,270 has been set aside to invest into Dunkeld, Peshurst, Cavendish, Glenthompson, Hamilton and other communities. We are proud to have supported the following Community groups and activities over the year:

Community Group	Amount	Purpose
Peaks & Trails Inc	\$1000	Sponsorship
Peshurst Progress Association	\$454.55	Anzac Day
Peshurst Pony Club	\$400	Sponsorship
Peshurst & District Racing Club	\$1100	Sponsorship
Glenthompson Community Association	\$1000	Art show sponsorship
Cavendish Football Netball Club	\$3000	Sponsorship
Wellways	\$1473.51	Screening of 'Just a Farmer'
Glenthompson Dunkeld Football Netball Club	\$3000	Sponsorship
Glenelg & Southern Grampians Local Learning and Employment Network	\$1100	Young Leaders program
Royal Victorian Association of Honorary Justices	\$1799	Audio visual equipment

Directors' Report

For year ending 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:

Brendan John Kelly

Non-executive director

Experience and expertise: Brendan is the managing director of Kellys which is a rural merchandise, fertiliser and hardware business located in both Penshurst & Dunkeld. Brendan established Kellys in Penshurst in 1988, then in Dunkeld in 2005. In recent years Brendan has commenced selling real estate working with Charles Stewart & Co, this is somewhat a family tradition with previous generation being involved in real estate valuations and sales. Brendan is the fourth generation of the Kelly family to live and work in Penshurst and district. Brendan and his wife Liz have three children Brooke, Shannon and Laine. They are active in the local community being involved in the football netball club, race club and Monivae college.

Special responsibilities: Nil

Jock Travers Melville Whiting

Non-executive director

Experience and expertise: Grazier, AFL Football Development Manager, South West Coast Suicide Prevention Trial - Leadership Executive, Pedrina Park - Hamilton Strategic Development Plan Member, Program Manager - AFL Victoria Country Football Academy

Special responsibilities: Chair

Jodie Louise Young

Non-executive director

Experience and expertise: Bachelor of Nursing, Marcus Oldham Rural Leadership Program, Cavendish Red Gum Festival committee member. Jodie is from a family farming operation running a commercial Angus herd in Western Victoria. A registered nurse currently employed part time at Casterton, Victoria. Jodie lives with her husband and children at Cavendish running sheep and cattle and plans to improve the liveability and amenities of Cavendish and within our region by becoming a Bendigo Community Bank director. Jodie brings attributes including; different workplace exposure, practical, enjoys challenges and seeking out improvements, community minded, volunteering and gardening.

Special responsibilities: Nil

Joanna Wallace Heard

Non-executive director

Experience and expertise: Past/present occupations include Research Scientist: Animal Nutrition, Research Scientist: Farm Systems Economist. Tertiary qualifications: Ba. Agricultural Science (Hons.). Currently Secretary at Strathmore Brigade CFA and Glenthompson Memorial Hill Inc. Committee.

Special responsibilities: Minute Secretary

Catherine Mary Loria

Non-executive director

Experience and expertise: Current occupation is Director of Nursing/Manager Penshurst & District Health Service, a campus of Western District Health Service. Have been working in health for over 40 years with experience in management across different health services over the past 30 years. Have been involved in community groups in the Penshurst Community - Advance Penshurst, Penshurst Football Netball Club.

Special responsibilities: Company secretary

Director's Report (continued)

Michael Peter Alderman

Non-executive director

Experience and expertise: Michael is currently a self-employed farmer. He previously worked at NAB as an Agribusiness and business Banker. Michael is involved in Glenthompson Dunkeld Football Netball Club, Grampians Cricket Club and the CFA. Michael holds a Bachelor of Agricultural Science from Melbourne University.

Special responsibilities: Nil

Paul Carrazzo

Non-executive director

Experience and expertise: Paul's accounting firm, Carrazzo Consulting, merged with Baumgartners in July 2024 and he is now a partner of that firm.

Special responsibilities: Treasurer

Carly Renee Behncke

Non-executive director

Experience and expertise: Born and bred in Cavendish, Carly grew up on her family farm and now runs a prime lamb operation with her husband and two daughters. Deeply involved in her community, she volunteers her time across several committees including the Cavendish Football Netball Club, Red Gum Festival, and Cavendish Primary School. With over 20 years of business and marketing experience and expertise, Carly is passionate about supporting her community and helping local initiatives thrive.

Special responsibilities: Sponsorship Director

Anthony John Page

Non-executive director (resigned 27 November 2024)

Experience and expertise: Anthony has lived in Penshurst all his life. Anthony started his working life as an Electrical Apprentice in 1981 before purchasing his current Electrical Contracting Business & Fuel Station business in 1986. He is married with adult children. Currently the Captain of Penshurst Fire Brigade, member of Penshurst Football Netball Club. Past Penshurst Apex member.

Special responsibilities: Nil

Company secretary

The company secretary is Catherine Mary Loria. Catherine was appointed to the position of secretary on 26 April 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 profit for the company after providing for income tax amounted to \$76,573 (30 June 2024: \$158,424).

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.

Fully franked dividend of 5 cents per share (2024: 5 cents)

2025 \$	2024 \$
31,170	31,170

Director's Report (continued)

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Brendan John Kelly	11	10
Jock Travers Melville Whiting	11	9
Jodie Louise Young	11	10
Joanna Wallace Heard	11	6
Catherine Mary Loria	11	11
Michael Peter Alderman	11	9
Paul Carrazzo	11	6
Carly Renee Behncke	11	8
Anthony John Page	5	2

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 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.

Director's Report (continued)

Directors' interests

The interest in company shareholdings for each director are:

Director name	Balance at start of the year \$	Changes \$	Balance at end of the year \$
Brendan John Kelly	10,000	-	10,000
Jock Travers Melville Whiting	2,000	-	2,000
Jodie Louise Young	-	-	-
Joanna Wallace Heard	-	-	-
Catherine Mary Loria	2,000	-	2,000
Michael Peter Alderman	2,000	-	2,000
Paul Carrazzo	-	-	-
Carly Renee Behncke	1,000	500	1,500
Anthony John Page	100	-	100

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.

Director's Report (continued)

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jock Travers Melville Whiting
Chairman

27 August 2025

Auditor's Independence Declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Grampians Regional Community Enterprises Limited

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 27 August 2025

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

Adrian Downing
Lead Auditor

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	904,959	892,859
Other revenue		488	488
Finance revenue		16,904	11,969
Total revenue		922,351	905,316
Employee benefits expense	7	(363,711)	(335,691)
Advertising and marketing costs		(5,515)	(6,847)
Occupancy and associated costs		(11,378)	(7,142)
System costs		(26,866)	(26,722)
Depreciation and amortisation expense	7	(46,746)	(56,556)
Finance costs	7	(9,958)	(10,815)
General administration expenses		(70,326)	(66,320)
Total expenses before community contributions and income tax expense		(534,500)	(510,093)
Profit before community contributions and income tax expense		387,851	395,223
Charitable donations, sponsorships and grants expense	7	(278,513)	(180,377)
Profit before income tax expense		109,338	214,846
Income tax expense	8	(32,765)	(56,422)
Profit after income tax expense for the year		76,573	158,424
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		76,573	158,424
		Cents	Cents
Basic earnings per share	26	12.28	25.41
Diluted earnings per share	26	12.28	25.41

Financial statements (continued)

Statement of Financial Position as at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	228,418	477,719
Trade and other receivables	10	75,996	88,141
Investments	11	660,780	343,885
Current tax assets	8	8,177	1,885
Total current assets		973,371	911,630
Non-current assets			
Property, plant and equipment	12	41,063	53,456
Right-of-use assets	13	119,911	141,356
Intangible assets	14	7,529	20,437
Deferred tax assets	8	19,460	21,203
Total non-current assets		187,963	236,452
Total assets		1,161,334	1,148,082
LIABILITIES			
Current liabilities			
Trade and other payables	15	23,097	26,833
Lease liabilities	16	30,097	30,097
Employee benefits	17	15,905	17,641
Total current liabilities		69,099	74,571
Non-current liabilities			
Lease liabilities	16	119,404	141,855
Employee benefits	17	1,474	7,281
Provisions		30,873	29,294
Total non-current liabilities		151,751	178,430
Total liabilities		220,850	253,001
Net assets		940,484	895,081
Equity			
Issued capital	18	612,891	612,891
Retained earnings		327,593	282,190
Total equity		940,484	895,081

Financial statements (continued)

Statement of Changes in Equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		612,891	154,936	767,827
Profit after income tax expense		-	158,424	158,424
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	158,424	158,424
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(31,170)	(31,170)
Balance at 30 June 2024		612,891	282,190	895,081
Balance at 1 July 2024		612,891	282,190	895,081
Profit after income tax expense		-	76,573	76,573
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	76,573	76,573
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(31,170)	(31,170)
Balance at 30 June 2025		612,891	327,593	940,484

Financial statements (continued)

Statement of Cash Flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,002,166	987,238
Payments to suppliers and employees (inclusive of GST)		(838,959)	(718,521)
Interest received		16,904	11,969
Income taxes paid		(37,316)	(75,316)
Net cash provided by operating activities	25	142,795	205,370
Cash flows from investing activities			
Investment in term deposits		(316,895)	(11,703)
Payments for intangibles assets		(13,201)	(13,201)
Net cash used in investing activities		(330,096)	(24,904)
Cash flows from financing activities			
Interest and other finance costs paid		(8,379)	(9,313)
Dividends paid	20	(31,170)	(31,170)
Repayment of lease liabilities		(22,451)	(20,856)
Net cash used in financing activities		(62,000)	(61,339)
Net increase/(decrease) in cash and cash equivalents		(249,301)	119,127
Cash and cash equivalents at the beginning of the financial year		477,719	358,592
Cash and cash equivalents at the end of the financial year	9	228,418	477,719

Notes to the Financial Statements

For year ending 30 June 2025

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 92 Parker Street, Dunkeld, Victoria 3294.

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 27 August 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.

Notes to the Financial Statements (continued)

Note 3. Material accounting policy information (continued)

Impairment of non-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.

Notes to the Financial Statements (continued)

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.

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Notes to the Financial Statements (continued)

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

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 February 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.

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.

Notes to the Financial Statements (continued)

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	704,311	650,881
Fee income	31,687	32,866
Commission income	168,961	209,112
	<u>904,959</u>	<u>892,859</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 noninterest income when the company's right to receive the payment is established.

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the Financial Statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	315,995	294,784
Non-cash benefits	4,768	10,904
Superannuation contributions	34,589	29,976
Expenses related to long service leave	(4,638)	(12,037)
Other expenses	12,997	12,064
	<u>363,711</u>	<u>335,691</u>

Depreciation and amortisation expense

Depreciation of non-current assets

	2025 \$	2024 \$
Furniture and fittings	4,057	5,764
Motor vehicles	8,336	10,234
	<u>12,393</u>	<u>15,998</u>

Depreciation of right-of-use assets

Leased land and buildings	<u>21,445</u>	<u>20,858</u>
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Amortisation of intangible assets

Franchise fee	2,151	3,292
Franchise renewal process fee	10,757	16,408
	<u>12,908</u>	<u>19,700</u>

46,746 56,556

Finance costs

	2025 \$	2024 \$
Lease interest expense	8,379	9,313
Unwinding of make-good provision	1,579	1,502
	<u>9,958</u>	<u>10,815</u>

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

Notes to the Financial Statements (continued)

Note 7. Expenses (continued)

	2025 \$	2024 \$
Charitable donations, sponsorships and grants expense		
Direct donation, sponsorship and grant payments	25,513	22,482
Contribution to the Community Enterprise Foundation™	253,000	157,895
	<u>278,513</u>	<u>180,377</u>

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

The funds contributed are held by the Community Enterprise Foundation™ (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	26,037	49,438
Movement in deferred tax	1,743	4,985
Under/over adjustment	4,985	1,999
	<u>32,765</u>	<u>56,422</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	109,338	214,846
	<u>27,335</u>	<u>53,712</u>
Tax at the statutory tax rate of 25%		
	<u>445</u>	<u>711</u>
Tax effect of:		
Non-deductible expenses	27,780	54,423
	<u>4,985</u>	<u>1,999</u>
Under/over adjustment		
	<u>32,765</u>	<u>56,422</u>
Income tax expense		
	<u>32,765</u>	<u>56,422</u>
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	4,345	6,231
Provision for lease make good	7,718	7,323
Lease liabilities	37,375	42,988
Right-of-use assets	(29,978)	(35,339)
	<u>19,460</u>	<u>21,203</u>
Deferred tax asset		

Notes to the Financial Statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Income tax refund due	8,177	1,885

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	228,418	477,719

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	71,207	83,352
Prepayments	4,789	4,789
	75,996	88,141

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 \$
Current assets		
Term deposits	660,780	343,885

Notes to the Financial Statements (continued)

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Fixtures and fittings - at cost	62,287	62,287
Less: Accumulated depreciation	(44,252)	(40,195)
	18,035	22,092
Motor vehicles - at cost	43,032	43,032
Less: Accumulated depreciation	(20,004)	(11,668)
	23,028	31,364
	41,063	53,456

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

	Fixtures and fittings \$	Motor vehicles \$	Total \$
Balance at 30 June 2023	27,856	41,598	69,454
Depreciation	(5,764)	(10,234)	(15,998)
Balance at 30 June 2024	22,092	31,364	53,456
Depreciation	(4,057)	(8,336)	(12,393)
Balance at 30 June 2025	18,035	23,028	41,063

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 diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Fixtures and fittings	2 to 20 years
Motor vehicles	5 years

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

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	225,890	225,890
Less: Accumulated depreciation	(105,979)	(84,534)
	119,911	141,356

Notes to the Financial Statements (continued)

Note 13. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2023	153,815
Remeasurement adjustments	8,399
Depreciation expense	(20,858)
Balance at 30 June 2024	141,356
Depreciation expense	(21,445)
Balance at 30 June 2025	<u>119,911</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangibles assets

	2025 \$	2024 \$
Franchise fee	32,053	32,053
Less: Accumulated amortisation	(30,798)	(28,647)
	1,255	3,406
Franchise renewal fee	110,266	110,266
Less: Accumulated amortisation	(103,992)	(93,235)
	6,274	17,031
	7,529	20,437

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	6,698	33,439	40,137
Amortisation expense	(3,292)	(16,408)	(19,700)
Balance at 30 June 2024	3,406	17,031	20,437
Amortisation expense	(2,151)	(10,757)	(12,908)
Balance at 30 June 2025	<u>1,255</u>	<u>6,274</u>	<u>7,529</u>

Notes to the Financial Statements (continued)

Note 14. Intangibles assets (continued)

Accounting policy for intangible assets

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

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

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

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

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

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	-	5,966
Other payables and accruals	23,097	20,867
	<u>23,097</u>	<u>26,833</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	23,097	26,833
less other payables and accruals (net GST refundable from the ATO)	(10,523)	1,897
	<u>12,574</u>	<u>28,730</u>

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>30,097</u>	<u>30,097</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>119,404</u>	<u>141,855</u>
	2025 \$	2024 \$
<i>Reconciliation of lease liabilities</i>		
Opening balance	171,952	184,521
Remeasurement adjustments	-	8,287
Lease interest expense	8,379	9,313
Lease payments - total cash outflow	<u>(30,830)</u>	<u>(30,169)</u>
	<u>149,501</u>	<u>171,952</u>

Notes to the Financial Statements (continued)

Note 16. Lease liabilities (continued)

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Dunkeld Branch	5.39%	5 years	1 x 5 years	Yes	January 2031

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	5,333	8,238
Long service leave	10,572	9,403
	<u>15,905</u>	<u>17,641</u>
<i>Non-current liabilities</i>		
Long service leave	<u>1,474</u>	<u>7,281</u>

Accounting policy for 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.

Notes to the Financial Statements (continued)

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	623,400	623,400	623,400	623,400
Less: Equity raising costs	-	-	(10,509)	(10,509)
	623,400	623,400	612,891	612,891

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.

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 323. As at the date of this report, the company had 322 shareholders (2024: 322 shareholders).

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

Notes to the Financial Statements (continued)

Note 18. Issued capital (continued)

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.

Note 20. Dividends

Dividends provided for and paid during the period

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: 5 cents)	31,170	31,170

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	138,134	73,208
Franking credits (debits) arising from income taxes paid (refunded)	37,316	75,316
Franking debits from the payment of franked distributions	(10,390)	(10,390)
	165,060	138,134

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

Balance at the end of the financial year	165,060	138,134
Franking credits (debits) that will arise from payment (refund) of income tax	(8,177)	(1,885)
Franking credits available for future reporting periods	156,883	136,249

Notes to the Financial Statements (continued)

Note 20. Dividends (continued)

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

Accounting policy for dividends

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

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. The company does not have any derivatives.

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

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 10)	71,207	83,352
Cash and cash equivalents (note 9)	228,418	477,719
Investments (note 11)	660,780	343,885
	<u>960,405</u>	<u>904,956</u>
Financial liabilities		
Trade and other payables (note 15)	12,574	28,730
Lease liabilities (note 16)	149,501	171,952
	<u>162,075</u>	<u>200,682</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.

Notes to the Financial Statements (continued)

Note 21. Financial risk management (continued)

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. The company held cash and cash equivalents of \$228,418 and term deposits of \$660,780 at 30 June 2025 (2024: \$477,719 and \$343,885).

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.

2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	12,574	-	-	12,574
Lease liabilities	30,830	123,319	17,984	172,133
Total non-derivatives	43,404	123,319	17,984	184,707
2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	28,730	-	-	28,730
Lease liabilities	30,830	123,319	48,814	202,963
Total non-derivatives	59,560	123,319	48,814	231,693

Notes to the Financial Statements (continued)

Note 22. Key management personnel disclosures

The following persons were directors of Grampians Regional Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements:

Brendan John Kelly	Michael Peter Alderman
Jock Travers Melville Whiting	Paul Carrazzo
Jodie Louise Young	Carly Renee Behncke
Joanna Wallace Heard	Anthony John Page
Catherine Mary Loria	

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

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Terms and conditions of transactions with related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company sponsored, granted or donated to entities where a director or close family member is on the board/committee. The total amount was:	17,000	13,000

Note 24. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	-	450
General advisory services	3,740	4,250
Share registry services	5,516	5,373
	9,256	10,073
	17,186	16,723

Notes to the Financial Statements (continued)

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

	2025 \$	2024 \$
Profit after income tax expense for the year	76,573	158,424
Adjustments for:		
Depreciation and amortisation	46,746	56,556
Lease liabilities interest	8,379	9,313
Change in operating assets and liabilities:		
Decrease in trade and other receivables	12,145	5,098
Increase in income tax refund due	(6,292)	(1,885)
Decrease/(increase) in deferred tax assets	1,743	(5,414)
Increase in trade and other payables	9,465	14,959
Decrease in provision for income tax	-	(11,595)
Decrease in employee benefits	(7,543)	(21,588)
Increase in other provisions	1,579	1,502
Net cash provided by operating activities	142,795	205,370

Note 26. Earnings per share

	2025 \$	2024 \$
Profit after income tax	76,573	158,424
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	623,400	623,400
Weighted average number of ordinary shares used in calculating diluted earnings per share	623,400	623,400
	Cents	Cents
Basic earnings per share	12.28	25.41
Diluted earnings per share	12.28	25.41

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Directors' Declaration

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


Jock Travers Melville Whiting
Chairman

27 August 2025

Independent Audit Report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Grampians Regional Community Enterprises Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Grampians Regional Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Grampians Regional Community Enterprises Limited (the company), which comprises the:

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Independent Audit Report (continued)



Andrew Frewin Stewart
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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: 27 August 2025

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

Adrian Downing
Lead Auditor



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