Annual Report 2025

Heidelberg District Community Enterprise Limited

Community Bank East Ivanhoe ABN 62 095 312 744



LOOKS DIFFERENT FEELS DIFFERENT IS DIFFERENT

MELCOME TO BENDIGO BANK EAST IVANHOE A BETTER PLACE TO BANK

Contents

	-
HDCEL Branch Manager's Report 2024-25	6
Bendigo and Adelaide Bank Report	7
Making an impact in our local community	8
CBNC Report	13
Directors' Report	14
Auditor's Independence Declaration	20
Financial Statements	21
Notes to the Financial Statements	25
Directors' Declaration	52
Independent Audit Report	53
Sponsorships and Grants 2024-25	55
Community contributions and shareholder dividends 2024-25	56
Corporate Governance Statement 2024-25	57
Low Volume Market Report 2024-25	60
Community Investment	62

As a community-owned social enterprise, Heidelberg District Community Enterprise Limited honours the deep and ongoing contribution of Aboriginal and Torres Strait Islander peoples to the social, cultural and economic life of our region. We are committed to building respectful partnerships that support self-determination and strengthen community for future generations.

HDCEL Chair Report 2024-25

The 2024-25 financial year has been highly successful for Heidelberg District Community Enterprise Limited (HDCEL). The economic environment remained challenging but did show some improvements late in the financial year. Nonetheless we experienced favourable business growth that resulted in a profit after tax of \$881,994 and maintained substantial contributions to our local community. Community Bank East Ivanhoe delivered on key business performance indicators including lending and deposit growth. Our balance sheet shows total equity of \$5.042m reflecting favourable financial returns over the year and placing us in a healthy financial position.

HDCEL's mission is to be a sustainable community-built business that contributes to community prosperity. The four pillars of our Community Impact Strategy – sustainability and environment; health and wellbeing; profit for purpose collaboration; and disability, diversity, and inclusion; align with the purpose of the many community organisations and services that we support. Our contribution to the community in 2024–25 was \$451,000 which includes a contribution of \$250,000 to the Community Enterprise Foundation for future grant allocations. Since inception HDCEL has now contributed over \$4.8m to our community. Our community contributions support a wide range of organisations and programs across our four pillars.

The Barrbunin Beek Aboriginal Gathering Place (BBAGP) in West Heidelberg is a dedicated community hub for local Aboriginal and Torres Strait Islander people. BBAGP was provided with a grant to support development and implementation of their Strategic Plan that will enable BBAGP to be self-sufficient and financially viable. Farm Raiser operates a vegetable and cut flower farm on a two-acre reclaimed school oval in Bellfield, producing high-quality culturally accessible food alongside provision of education programs for students with disabilities, food relief to the local community, and therapeutic horticulture programs. A grant was provided to Farm Raiser to support its collaborative education program with Waratah Special Developmental School. Our support was provided to Rosanna Fire Station Community House to implement its Chip Packet Project. The project collects and repurposes chip packets to create durable, insulating blankets for people experiencing homelessness.

We are proud to note that 41 Community Banks have followed our lead in gaining social enterprise certification. We have actively engaged with sector leaders including Social Traders and Social Enterprise Network Victoria (SENVIC) and have increased our interaction with social enterprises in our community. We have supported a local social enterprise A Fitting Connection to establish The Fabric ReStore in our homeland of East Ivanhoe through provision of rental assistance. The Fabric ReStore gives new life to donated fabrics and sewing supplies, diverting them from landfill, and placing them in the hands of local makers and community members. This is a good example of the opportunity we see for Community Bank East Ivanhoe to have impact in the sustainability of social enterprise businesses.

In addition to myself Board members are Nan Caple, Jason Talbot, Anne Rogan, and Paul Thia (appointed 15th August 2024). Board members bring a combined 50 plus years experience as Community Bank Directors. Board members express their commitment to HDCEL through highly appreciated support of the Chair, effective participation in and contribution to all Board activities and continued promotion of the Community Banking model. Priorities for the Board over the past year included best practice in governance, continued growth of banking business, maintaining an effective and capable workforce, further exploration of engagement with the social enterprise network and interaction with the Community Bank National Council and Bendigo Bank on evolution of the Community Bank model. The Board recognises that good governance plays an important part in business success however the Board attributes business growth, maintenance of company reputation and effective engagement with the community to the outstanding efforts of all our staff and contractors.

Our team has consolidated over the past year. Branch Manager, Jon Hyatt has settled into his role and is providing strong leadership and support that has significantly contributed to team collaboration and effectiveness. Syed Zaidi, Mobile Relationship Manager continues to set the standard for lending outcomes and has been acknowledged by the team for his willingness to assist others. Branch team members Kamna Madan, Adam Greenland, Ryan Alves and James Clayton have all taken on additional responsibilities, with commendable individual performances underpinned by a strong sense of teamwork and a demonstrated willingness to work as one. During the year we welcomed Rose Hanratty to the team and farewelled Pinky Yadav and James Fernandes with best wishes in their new ventures.

HDCEL Chair Report 2024-25 (continued)

The support to the Board and business provided by Pam Tremlett, bookkeeper, and administrative support over many years has contributed to operational effectiveness and good financial management; and by Carly Kluge, Community Relationship Manager, also over many years has supported strong brand recognition and development of impactful community relationships. Michelle Baker, Company Secretary supports effective governance with accurate, dependable, and timely support. The assistance provided to the Board and staff by Bendigo Bank has always been timely and supportive and has enhanced effective banking operations and strong business governance. The contributions of our Regional Manager, Daryl Ellis; and Area Manager Mobile, Lawrence Longato are especially valued.

HDCEL has 393 shareholders, each of whom has a close connection with the communities that we support through provision of banking services and financial assistance. The Board remains conscious of its responsibilities to shareholders through the operation of a successful banking business and the upholding of our vision to be a key element in the success of our community's development, sustainability, and prosperity. The Board continues to encourage shareholders to tell the Community Bank story, to promote HDCEL and to support our community partners whenever you can. This is our 25th year of operation and for the 21st year in succession the Board is pleased to announce a dividend, this year of 12c per share fully franked.

Looking ahead I am confident that HDCEL has the leadership and staff capability required for further business success, growth of our banking operation and effective engagement with our community.

Jeremy McAuliffe

long horust

Chair

HDCEL Branch Manager's Report 2024-25

This past financial year has been one of both growth and transition for our business.

We are proud to report an exceptional year in lending growth, with \$27 million achieved. This result highlights the strength of our team's efforts and our commitment to supporting customers with the right financial solutions for their needs

Transition within our business is inevitable and during this past year we fondly farewelled Pinky Yadav and James Fernandes, who each made significant contributions during their time with us. We wish them the very best in their next chapters. We also welcomed Rose Hanratty to the team. Rose has been a fantastic addition bringing plenty of smiles and happy energy into the team.

Our success this year would not have been possible without the dedication of our team. Adam, Rose, Ryan, James, Kamna and Syed have enabled fantastic growth and been the key to our success. Together, we worked to find the best solutions for our customers while also managing workloads as effectively as possible. This spirit of collaboration has been vital in navigating challenges and seizing opportunities.

I would like to thank the Board, for all their support and guidance over the last 12 months. This has been pivotal to my understanding of the Community Bank model, as well as allowing me to build and develop our team.

Giving back to our community remains at the heart of what we do. Over the past year, we contributed more than \$450,000 to local initiatives, charities, and programs. These contributions highlight the continued dedication to creating positive impact that benefits both our customers and the local community.

While the year ahead presents some uncertainties, particularly in the lending space, we nevertheless remain confident. Interest rates continue to move and competition is stronger than in the previous year, but our focus will remain on adaptability, innovation, and customer-first solutions. These will be the cornerstones of how we meet the challenges and continue to grow.

Jon Hyatt

Branch Manager

Community Bank East Ivanhoe

Bendigo and Adelaide Bank Report

Year ending 30th June 2025



Bendigo and Adelaide Bank Community Bank Report 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 over \$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

Making an impact in our local community

Heidelberg District Community Enterprise Limited proudly continued its support of a wide range of clubs, sporting groups, and charitable organisations through our Community Investment Program in 2024/25. This support was delivered through both grants and sponsorships, and we're pleased to share a snapshot of some of the year's highlights below:

- Barrbunha Beek.
 Aboriginal
 Gathering Play
- In 2025 we entered into a partnership with Barrbunin Beek Aboriginal Gathering Space to support their journey towards selfdetermination.
- 2025 marked 10 years of support for Fairfield Primary School's Art for All festival, a three-day celebration of creativity that brings together local artists, children and families while raising vital funds for the arts.



- HDCE representatives Nan Caple and Carly Kluge attended Banyule City Council's Women in Sport event, featuring inspiring guest speaker and Olympian Lauren Burns.
- SALT (Sport and Life Training) provide critical educational and positive-culture building programs in sporting clubs across Australia. We continue to provide financial support for delivery of mental health programs. Each year they host a Brownlow Breakfast at Marvel stadium and branch team members Adam and Jon were fortunate to pose with the 2024 AFL Premiership Cup.





The Banyule
Nillumbik Learning
Network's L2P
program helps
young drivers
complete the 120
hours of practice
required for their
licence. We were
thrilled to donate
a new car to give
more young people
access to this lifechanging program.





• Local bushwalking club CAEX received support to improve safety for members through the purchase of emergency response equipment, along with First Aid and CPR training.



HDCE Chair Jeremy McAuliffe presents a grant to the BANSIC team in support of their FoodHub on Oriel Road.



Local musician Charlie Curtain entertained the crowd at Northcote United Cricket Club's annual Family Day, where we joined Club President Cameron Kenny to celebrate the occasion.



Our Youth Foundation program continues to back youth-led projects, including the Sisterhood Girls Program in 2024 a peer-support group for girls aged 14–18 in Heidelberg.





- A highlight of every year is our Community Partners Night, when we welcome all of our grant recipients to share the impact their projects have made across the local community.
- We proudly continued our support of the Heidelberg Historical Society with some upgrades to their museum. The team took Jon on a tour of their impressive Schools exhibit which showcased historic uniforms, video footage and photos from all schools across Banyule.
- Branch Manager Jon Hyatt hands over the "key" to Katrina Naish from social enterprise The Fabric ReStore. HDCEL is providing the East Ivanhoe Village property rent-free as part of our commitment to supporting local social enterprises.







Rental do Bank



- Big Group Hug celebrated their 10 year anniversary with founder Angela Wood joining current CEO Bernadene Vos and Geraldine Camilleri to thank the Community Bank East Ivanhoe who has been a major supporter from the very beginning! This fabulous organisation has supported thousands of vulnerable families with material aid.
- We proudly donated new life jackets to the Victorian Youth Paddle Academy, helping keep their young athletes safe as they train on the Yarra River.
- In 2025 we sponsored the inaugural Main Yarra Trail Classic fun run, where participants of all ages—including the Caple family—took part in this fantastic community event.



- Oirectors Nan and Paul celebrate the strong partnership between the Community Bank, Banyule City Council, and BANSIC.
- Our support of local sporting clubs continues, including both the Macleod Senior and Junior Football Clubs. Sporting clubs foster great social connections and we are fortunate to be surrounded by so many wonderful sporting clubs in our area.



We are proud to support the Go Girls Foundation's Work Ready program, which empowers women to build confidence, develop new skills and move towards independence. Mobile Lender Syed Zaidi was thrilled to present Director Fergeus Crease with a \$5,000 grant.



In 2024 we joined forces with the North East Neighbourhood House Network and local Financial Counsellor Robyn Angus to provide a series of workshops on Building Financial Capability and Scam Awareness. The events were well attended with outstanding testimonials from participants.



Our partnership with SALT (Sport and Life Training) continues to grow each year. In 2025, alongside six other Community Bank companies, we committed to a five-year partnership to further expand SALT's impact across local sporting clubs.







- The Ivanhoe Bowling Club hosts an annual fundraiser for MND, and we are proud to have been long-time supporters of this important event.
- ♦ The Open House Backyard Sports program runs every Thursday after school at Malahang Reserve. We were proud to provide a \$10,000 grant to support their wide range of activities, including a coffee cart, bike hut, outdoor games, and basketball competitions.
- We were pleased to provide FarmRaiser with a grant to work with students at Waratah Special Development School, giving them hands-on experience with nature, healthy vegetables, and vocational training in horticulture.





We have been long-time supporters of the Warringal Conservation Society, helping fund projects that protect and enhance local flora and fauna.



We are long-standing supporters of the Lower Plenty Dance Group, a volunteer-run initiative that hosts a weekly disco for adults with disabilities.





Our partnership with Banyule City Council's Women in Business lunch continues and we were thrilled to be joined by some of our community partners on our table.



Bendigo Bank's Chief Economist David Robertson joined us again in 2025 for the Annual Business Breakfast, where he shared his insights into the economy and what might lie ahead in these uncertain times.



Branch Manager Jon Hyatt proudly displays the annual community contribution cheque





- Branch Manager Jon Hyatt presents Brother Harry Prout from the Olympic Village Exodus Community with a grant to upgrade their meeting space, where weekly drop-in lunches bring the community together.
- Branch Manager Jon Hyatt presents Jeff Franklin OAM from Ivanhoe Harriers Athletics Club with a grant to support their new gym at Chelsworth Park.
- We proudly partnered with SENVIC, the state body for the social enterprise sector, to host an event supporting emerging social enterprises.



- Branch Manager Jon Hyatt presents Rev. Ignatius Bagoes Seta from Heidelberg Presbyterian Church with a life-saving defibrillator.
- HDCE Board and staff members in 2025.



- Better together
 - HDCE proudly donated a new vehicle to BANSIC (Banyule Support and Information Centre) to support their FoodHub operations.
- ◆ Team member James presented Big Group Hug CEO Bernadene Vos with a cheque to subsidize the rent of their Thomastown warehouse. The group provide material support to thousands of vulnerable young families each year.





CBNC Report

Year ending 30th June 2025



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

Directors' Report

Year ending 30th 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:

Jeremy Frank McAuliffe

Chair and Non-executive Director

Experience and expertise

Jeremy has over 30 years experience in community sector organisations in operational management and executive leadership roles. He currently operates a consulting business that provides governance, compliance and operational support to the aged care sector. He has qualifications in community services and business administration and is an alumnus of the Cranlana Centre for Ethical Leadership. He has lived in the Ivanhoe area for over 25 years and is a life member of two local sporting clubs.

Special Responsibilities

Committee member: Human Resources (Chair), Community Investment

Nancy Louise Caple

Deputy Chair and Non-executive Director

Experience and expertise

Nancy established and operated So Swish (retail business) from 1989-2016. She was instrumental in establishing the East Ivanhoe Community branch in 2000. She has a Bachelor of Education and taught prior to 1989. Nan held an appointed position on the Community Bank National Council between 2017-2024. Nan continues to champion social enterprise certification across the community bank network. She is also the Company Secretary for the family management consulting business. Nan is Deputy Chair of the Sycamore Tree Management committee; a social enterprise café located in Heidelberg.

Special Responsibilities

Committee member: Community Investment (Chair), Human Resources

Anne Marie Rogan

Non-executive Director

Experience and expertise

Head of Examinations at the Royal Australian and New Zealand College of Radiologists.

Experienced senior manager of large teams, managing complex high budget projects.

Previous experience on Secondary School Boards. Extensive involvement in sporting clubs in the Ivanhoe district.

Special Responsibilities

Committee member: Audit and Governance (Chair), Human Resources

Directors (continued)

Jason Alexander Talbot

Non-executive Director

Experience and expertise

Jason is the Managing Director of Graphite i2i, a consultancy firm specialising in strategy, governance and finance. Prior to founding Graphite i2i, Jason held senior roles at PwC, EY and NAB in their corporate finance divisions and worked in both Australia and the UK. His non-executive and advisory board portfolio includes private business, public companies and a variety of not-for-profit organisations both in Australia and the UK. He is also a lecturer at Macquarie University and facilitator for the Governance Institute of Australia (GIA). Jason is a fellow of the GIA and a member of the Institute of Chartered Accountants Australia. He holds a Masters of Applied Finance from Macquarie University and a Graduate Diploma in Accounting, a Doctor of Philosophy and a Bachelor of Science from Monash University.

Special Responsibilities

Committee member: Audit and Governance

Paul Yong-Shan Thia

Non-executive Director (appointed 15 August 2024)

Experience and expertise

Paul is the Senior Economic Development Officer at Banyule City Council, focused on building a thriving, inclusive local economy. He previously led the Council's Inclusive Employment and Social Enterprise strategies and brings experience across the private, public, and social impact sectors. Paul has held senior advisory and corporate strategy roles at Social Traders and Telstra, with expertise in social impact, business growth, and inclusive economic development. He holds a Bachelor of Commerce and a Bachelor of Information Systems from the University of Melbourne.

Special Responsibilities

Committee member: Community Investment

Company secretary

The Company secretary is Michelle Louise Baker. Michelle was appointed to the position of Company secretary on 11 January 2023.

Experience and expertise

Michelle is an experienced Bookkeeper and holds a Bachelor of Arts and an Advanced Diploma of Business (Marketing).

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 \$880,994 (30 June 2024: \$1,076,538).

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 10 cents per share (2024: 10 cents)	226,067	226,067

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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Do and h	Board Meetings Attended		Co	ommittee Me	etings Attend	led	
E - eligible to attend A - number attended				Povernance	Human F	Resources	Community	Investment
	E	Α	Е	Α	E	Α	Е	Α
Jeremy McAuliffe	11	10	-	-	8	8	11	9
Nancy Caple	11	9	-	-	8	7	11	9
Anne Rogan	11	11	10	9	8	7	-	-
Jason Talbot	11	8	10	9	-	-	-	-
Paul Thia	9	9	-	-	-	-	10	9

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 24 to the Financial Statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each Director are:

		Fully paid ordinary shares			
	Balance at start of the year	Changes during the year	Balance at the end of the year		
Jeremy McAuliffe	3,450	-	3,450		
Nancy Caple	27,077	-	27,077		
Anne Rogan	-	-	-		
Jason Talbot	-	-	-		
Paul Thia	-	-	-		

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, officers and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors, officers or manager 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.

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 Audit and Governance Committee 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

floren horule

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

Jeremy McAuliffe

Chair

16 September 2025

Auditor's Independence Declaration



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

Lead Auditor

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Heidelberg District Community Enterprise Limited

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

- 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.

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550

Dated: 16 September 2025

Financial Statements

Heidelberg District Community Enterprise Limited Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	N.	2025	2024
	Notes	\$	\$
REVENUE			
Revenue from contracts with customers	6	3,005,798	3,163,435
Other revenue		72,951	136,326
Finance revenue	7	149,072	122,592
Total revenue		3,227,821	3,422,353
EXPENSES			
Employee benefits expense	8	(960,334)	(912,889)
Advertising and marketing costs		(187,985)	(198,558)
Occupancy and associated costs		(45,474)	(41,964)
System costs		(41,829)	(38,230)
Depreciation and amortisation expense	8	(99,719)	(78,575)
Loss on disposal of assets		(128)	-
Finance costs	8	(29,721)	(5,852)
General administration expenses		(236,143)	(208,455)
Total expenses before community contribution and income tax expense		(1,601,333)	(1,484,523)
Profit before community contributions and income tax expense		1,626,488	1,937,830
Charitable donations, grants and sponsorship expense	8	(451,040)	(505,834)
Profit before income tax expense		1,175,448	1,431,996
Income tax expense	9	(294,454)	(355,458)
Profit after income tax expense for the year	-	880,994	1,076,538
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		880,994	1,076,538
		Cents	Cents
Basic earnings per share	28	38.97	47.62
Diluted earnings per share	28	38.97	47.62

Heidelberg District Community Enterprise Limited **Statement of Financial Position**

for the year ended 30 June 2025

•			
	Notes -	2025	2024
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	10	1,279,359	827,428
Trade and other receivables	11	320,574	339,853
Investments	12	2,650,000	2,650,000
Total current assets		4,249,933	3,817,281
Non-current assets			
Investment properties	15	1,392,609	1,380,000
Property, plant and equipment	13	70,736	95,563
Right-of-use assets	14	704,294	30,806
Intangible assets	16	49,107	61,217
Total non-current assets		2,216,746	1,567,586
Total assets		6,466,679	5,384,867
LIABILITIES			
Current liabilities			
Trade and other payables	17	402,501	403,683
Lease liabilities	18	91,007	69,040
Current tax liabilities	9	11,641	250,479
Employee benefits		53,115	58,784
Provisions			46,767
Total current liabilities		558,264	828,753
Non-current liabilities			
Trade and other payables	17	38,893	50,562
Lease liabilities	18	667,589	-
Deferred tax liabilities	9	105,222	100,252
Employee benefits		31,224	18,599
Provisions		23,859	-
Total non-current liabilities		866,787	169,413
Total liabilities		1,425,051	998,166
Net assets		5,041,628	4,386,701
EQUITY			
Issued capital	19	1,614,384	1,614,384
Revaluation reserve		387,145	387,145
Retained earnings		3,040,099	2,385,172
Total equity		5,041,628	4,386,701

 $The above \ Statement \ of \ Financial \ Position \ should \ be \ read \ in \ conjunction \ with \ the \ accompanying \ Notes$

Heidelberg District Community Enterprise Limited Statement of Changes in Equity

for the year ended 30 June 2025 $\,$

	Notes	Issued capital	Revaluation reserve	Retained earnings	Total equity
		\$	\$	\$	\$
Balance at 1 July 2023		1,614,384	387,145	1,534,701	3,536,230
Profit after income tax expense		-	-	1,076,538	1,076,538
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	1,076,538	1,076,538
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	21		-	(226,067)	(226,067)
Balance at 30 June 2024		1,614,384	387,145	2,385,172	4,386,701
Balance at 1 July 2024		1,614,384	387,145	2,385,172	4,386,701
Profit after income tax expense		-	-	880,994	880,994
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	880,994	880,994
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	21	-	-	(226,067)	(226,067)
Balance at 30 June 2025		1,614,384	387,145	3,040,099	5,041,628

Financial Statements (continued)

Heidelberg District Community Enterprise Limited **Statement of Cash Flows**

for the year ended 30 June 2025

	Notes	2025	2024
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,401,158	3,616,403
Payments to suppliers and employees (inclusive of GST)		(2,220,129)	(1,871,865)
Interest received		149,157	109,463
Interest and other finance costs paid		-	(432)
Income taxes refunded/(paid)		(528,322)	(472,624)
Net cash from operating activities	27	801,864	1,380,945
Cash flows from investing activities			
Investment in term deposits		-	(850,000)
Payments for investment properties		(12,609)	-
Payments for property, plant and equipment	13	(6,339)	(67,742)
Payments for intangible assets		(11,786)	(12,963)
Proceeds from disposal of property, plant and equipment		-	26,364
Net cash used in investing activities		(30,734)	(904,341)
Cash flows from financing activities			
Interest and other finance costs paid		(28,060)	(3,817)
Dividends paid	21	(226,067)	(226,067)
Repayment of lease liabilities	18	(65,072)	(87,186)
Net cash used in financing activities		(319,199)	(317,070)
Net increase in cash and cash equivalents		451,931	159,534
Cash and cash equivalents at the beginning of the financial year		827,428	667,894
Cash and cash equivalents at the end of the financial year	10	1,279,359	827,428

Notes to the Financial Statements

for the year ended 30 June 2025

Note 1. Reporting entity

The Financial Statements cover Heidelberg District 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 233-235 Lower Heidelberg Road, Ivanhoe East VIC 3079.

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 16 September 2025. The Directors have the power to amend and reissue the Financial Statements.

Notes to the Financial Statements (continued)

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.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Notes to the Financial Statements (continued)

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

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.

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.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The Directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in September 2029.

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2025	2024
	\$	\$
Margin income	2,780,718	2,953,026
Fee income	91,594	99,468
Commission income	133,486	110,941
	3,005,798	3,163,435

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

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.

Notes to the Financial Statements (continued)

Note 6 Revenue from contracts with customers (continued)

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. Finance revenue

	2025	2024
	\$	\$
Interest income	149,072	122,592

Finance income is recognised when earned using the effective interest rate method.

Note 8. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	816,932	768,149
Non-cash benefits	4,704	10,966
Superannuation contributions	85,955	84,044
Expenses related to long service leave	13,776	22,858
Other expenses	38,967	26,264
	960,334	912,281

Depreciation and amortisation expense

•		
	2025	2024
	\$	\$
Depreciation of non-current assets		
Leasehold improvements	13,833	13,874
Plant and equipment	3,657	2,879
Motor vehicles	13,548	9,847
	31,038	26,600
Depreciation of right-of-use assets		
Leased land and buildings	56,571	40,988
Amortisation of intangible assets		
Franchise fee	2,422	2,198
Franchise renewal fee	9,688	8,789
	12,110	10,987
	99,719	78,575

Notes to the Financial Statements (continued)

Note 8 Expenses (continued)

Charitable donations, grants and sponsorship expense

	2025	2024
	\$	\$
Direct donation, sponsorship and grant costs	201,040	235,834
Contribution to the Community Enterprise Foundation™	250,000	270,000
	451,040	505,834

The funds contributed to and held by the Community Enterprise FoundationTM (CEF) 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.

During the financial year the company contributed funds to the Community Enterprise Foundation $^{\text{TM}}$ (CEF), the philanthropic arm of the Bendigo Bank. These contributions form part of charitable donations and sponsorship expenditure included in profit or loss.

Note 9. Income tax

	2025	2024
	\$	\$
Income tax expense		
Current tax	289,484	349,487
Movement in deferred tax	4,970	9,200
Under/over provision in respect to prior years	-	(3,229)
Aggregate income tax expense	294,454	355,458
Prima facie income tax reconciliation		
Profit before income tax expense	1,175,448	1,431,996
Tax at the statutory tax rate of 25%	293,862	357,999
Tax effect of:		
Non-deductible expenses	592	688
Under/over provision in respect to prior years	-	(3,229)
Income tax expense	294,454	355,458
	0005	0004
	2025	2024
Defermed and link that	\$	\$
Deferred tax liabilities	\$	\$
Property, plant and equipment	\$ 138,700	\$ 133,555
Property, plant and equipment Income accruals	\$ 138,700 8,572	\$ 133,555 8,593
Property, plant and equipment Income accruals Right-of-use assets	\$ 138,700 8,572 176,074	\$ 133,555 8,593 7,701
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities	\$ 138,700 8,572 176,074 (189,649)	\$ 133,555 8,593 7,701 (17,260)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits	\$ 138,700 8,572 176,074 (189,649) (21,085)	\$ 133,555 8,593 7,701 (17,260) (19,346)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits Provision for lease make good	\$ 138,700 8,572 176,074 (189,649) (21,085) (5,965)	\$ 133,555 8,593 7,701 (17,260) (19,346) (11,692)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits Provision for lease make good Accrued expenses	\$ 138,700 8,572 176,074 (189,649) (21,085) (5,965) (1,425)	\$ 133,555 8,593 7,701 (17,260) (19,346) (11,692) (1,299)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits Provision for lease make good	\$ 138,700 8,572 176,074 (189,649) (21,085) (5,965)	\$ 133,555 8,593 7,701 (17,260) (19,346) (11,692)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits Provision for lease make good Accrued expenses	\$ 138,700 8,572 176,074 (189,649) (21,085) (5,965) (1,425)	\$ 133,555 8,593 7,701 (17,260) (19,346) (11,692) (1,299)
Property, plant and equipment Income accruals Right-of-use assets Lease liabilities Employee benefits Provision for lease make good Accrued expenses	\$ 138,700 8,572 176,074 (189,649) (21,085) (5,965) (1,425) 105,222	\$ 133,555 8,593 7,701 (17,260) (19,346) (11,692) (1,299) 100,252

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.

These Notes form part of the Financial Statements

Note 10. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	1,279,359	827,428

Note 11. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	265,956	283,029
Other receivables and accruals	3,667	3,667
Accrued income	34,288	34,372
Prepayments	16,663	18,785
	54,618	56,824
	320,574	339,853

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
	\$	\$
Current assets		
Term Deposits	2,650,000	2,650,000

Note 13. Property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	228,197	234,797
Less: Accumulated depreciation	(213,969)	(206,713)
	14,228	28,084
Plant and equipment - at cost	61,757	57,618
Less: Accumulated depreciation	(49,596)	(48,034)
	12,161	9,584
Motor vehicles - at cost	67,742	67,742
Less: Accumulated depreciation	(23,395)	(9,847)
	44,347	57,895
	70,736	95,563

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

	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2023	41,958	12,463	-	54,421
Additions	-	-	67,742	67,742
Depreciation	(13,874)	(2,879)	(9,847)	(26,600)
Balance at 30 June 2024	28,084	9,584	57,895	95,563
Additions	-	6,339	-	6,339
Disposals	(23)	(105)	-	(128)
Depreciation	(13,833)	(3,657)	(13,548)	(31,038)
Balance at 30 June 2025	14,228	12,161	44,347	70,736

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:

Leasehold improvements 3 to 12 years
Plant and equipment 1 to 12 years
Motor vehicles 5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

These Notes form part of the Financial Statements

Note 14. Right-of-use assets

	2025	2024
	\$	\$
Land and buildings - right of use	1,131,426	401,367
Less: Accumulated depreciation	(427,132)	(370,561)
	704,294	30,806

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

	1 1 11 11
	Land and buildings
	\$
Balance at I July 2023	70,429
Remeasurement adjustments	1,365
Depreciation expense	(40,988)
Balance at 30 June 2024	30,806
Remeasurement adjustments	730,059
Depreciation expense	(56,571)
Balance at 30 June 2025	704,294

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. Investment properties

	2025	2024
	\$	\$
Investment properties - at fair value	1,392,609	1,380,000

Reconciliation

Reconciliation of the beginning and end of the current and previous financial year are set out below:

	2025	2024
	\$	\$
Opening amount	1,380,000	1,379,593
Additions	12,609	-
Reversal of prior year depreciation	-	407
Closing amount	1,392,609	1,380,000

Fair value

The fair value of investment property was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's investment property portfolio every 3 to 5 years.

The company's 223-225 Lower Heidelberg investment property was independently valued effective 24 May 2023 by Miles Real Estate. Since the independent valuation, the Directors have assessed market changes and determined that there have been no material changes in fair value.

In April 2025 the Board agreed to lease the investment property at 225 Lower Heidelberg Road to A Fitting Connection for 12 months at \$1. The arrangement was made on non-commercial terms, with \$1 of rental income recognised. The property continues to be classified as investment property and is measured at fair value of \$1,380,000 at 30 June 2025. The Directors considered that the arrangement does not impact the fair value assessment.

Refer to Note 23 for further information on fair value measurement.

Accounting policy for investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised in Other Comprehensive Income, specifically in the Revaluation Reserve within equity.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Note 16. Intangible assets

	2025	2024
	\$	\$
Franchise fee	78,434	78,434
Less: Accumulated depreciation	(68,613)	(66,191)
	9,821	12,243
Franchise renewal fee	250,571	250,571
Less: Accumulated depreciation	(211,285)	(201,597)
	39,286	48,974
	49,107	61,217

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	2,655	10,620	13,275
Additions	11,786	47,143	58,929
Amortisation expense	(2,198)	(8,789)	(10,987)
Balance at 30 June 2024	12,243	48,974	61,217
Amortisation expense	(2,422)	(9,688)	(12,110)
Balance at 30 June 2025	9,821	39,286	49,107

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)	September 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	September 2029

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

Note 17. Trade and other payables

	2025	2024
	\$	\$
Current liabilities		
Trade payables	302,598	339,839
Other payables and accruals	99,903	63,844
	402,501	403,683
Non-current liabilities		
Other payables and accruals	38,893	50,562
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	441,394	454,245
less GST payable to the ATO, included in other payables and accruals	(34,654)	(24,085)
	406,740	430,160

Note 18. Lease liabilities

	2025	2024
	\$	\$
Current liabilities		
Land and buildings lease liabilities	91,007	69,040
Non-current liabilities		
Land and buildings lease liabilities	667,589	-

Reconciliation of lease liabilities

	2025	2024
	\$	\$
Opening balance	69,040	155,226
Remeasurement adjustments	754,628	1,000
Lease interest expense	28,060	3,817
Lease payments - total cash outflow	(93,132)	(91,003)
	758,596	69,040

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
East Ivanhoe branch	7.43%	5 years	1 x 5 years	Yes	March 2035

Note 19. Issued capital

	2025	2024	2025	2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,673,010	1,673,010	1,673,010	1,673,010
Bonus shares - fully paid (3:1)	625,376	625,376	-	-
Less: Share buy back	(37,720)	(37,720)	(26,781)	(26,781)
Less: Equity raising costs	-	-	(31,845)	(31,845)
	2,260,666	2,260,666	1,614,384	1,614,384

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*.

Note 19 Issued capital (continued)

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 206. As at the date of this report, the company had 393 shareholders (2024: 399 shareholders).

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

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 20. 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 21. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of Changes in Equity and Statement of Cash Flows.

	2025	2024
	\$	\$
Fully franked dividend of 10 cents per share (2024: 10 cents)	226,067	226,067

Franking credits

	2025	2024
	\$	\$
Franking account balance at the beginning of the financial year	652,149	254,881
Franking credits (debits) arising from income taxes paid (refunded)	528,322	472,624
Franking debits from the payment of franked distributions	(75,356)	(75,356)
	1,105,115	652,149
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	1,105,115	652,149
Franking credits (debits) that will arise from payment (refund) of income tax	11,641	250,479
Franking credits available for future reporting periods	1,116,756	902,628

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 22. Financial risk management

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

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

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

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

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

	2025	2024
	\$	\$
Financial assets at amortised cost		
Trade and other receivables excluding prepaid expenses (Note 11)	303,911	321,068
Cash and cash equivalents (Note 10)	1,279,359	827,428
Investments (Note 12)	2,650,000	2,650,000
	4,233,270	3,798,496
Financial liabilities at amortised cost		
Trade and other payables (Note 17)	406,740	430,160
Lease liabilities (Note 18)	758,596	69,040
	1,165,336	499,200

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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.

Note 22. Financial risk management (continued)

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

The company's financial liabilities are measured at amortised cost comprise trade and other payables and lease liabilities.

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. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$1,279,359 and term deposits of \$2,650,000 at 30 June 2025 (2024: cash and cash equivalents \$827,428 and term deposits \$2,650,000).

Price risk

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

Liquidity risk

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

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

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2025				
Trade and other payables	367,847	38,893	-	406,740
Lease liabilities	94,064	414,327	562,880	1,071,271
Total non-derivatives	461,911	453,220	562,880	1,478,011
2024				
Trade and other payables	379,598	50,562	-	430,160
Lease liabilities	69,849	-	-	69,849
Total non-derivatives	449,447	50,562	-	500,009

Note 23. Fair value measurement

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2025				
Assets				
Investment properties	-	1,380,000	-	1,380,000
Total assets	-	1,380,000	-	1,380,000
2024				
Assets				
Investment properties	-	1,380,000	-	1,380,000
Total assets	-	1,380,000	-	1,380,000

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 24 May 2023 by Miles Real Estate based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The Directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Key management personnel disclosures

The following persons were Directors of Heidelberg District Community Enterprise Limited during the financial year and/or up to the date of signing of these Financial Statements.

Jeremy Frank McAuliffe Jason Alexander Talbot Nancy Louise Caple Paul Yong-Shan Thia Anne Marie Rogan

Key management personnel compensation comprised the following.

	2025	2024
	\$	\$
Short-term employee benefits	40,787	37,500
Post-employment benefits	4,691	4,125
	45,478	41,625

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

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 of transactions with related parties

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

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

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
	\$	\$
Audit services		
Audit or review of the financial statements	8,250	7,950
Other services		
Taxation advice and tax compliance services	2,287	2,794
General advisory services	3,030	4,741
Share registry services	8,410	3,562
	13,727	11,097
	21,977	19,047

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

	2025	2024
	\$	\$
Profit after income tax expense for the year	880,994	1,076,538
Adjustments for:		
Depreciation and amortisation	99,719	78,575
Reversal of depreciation	-	(407)
Net loss/(gain) on disposal of non-current assets	128	(26,364)
Lease liabilities interest	28,060	3,817
Change in operating assets and liabilities:		
Decrease in trade and other receivables	19,279	14,941
Increase/(decrease) in trade and other payables	(1,065)	328,872
Decrease in provision for income tax	(238,838)	(126,366)
Increase in deferred tax liabilities	4,970	9,200
Increase in employee benefits	6,956	20,536
Increase in other provisions	1,661	1,603
Net cash from operating activities	801,864	1,380,945

Note 28. Earnings per share

	2025	2024
	\$	\$
Profit after income tax	880,994	1,076,538
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,260,666	2,260,666
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,260,666	2,260,666
	Cents	Cents
Basic earnings per share	38.97	47.62
Diluted earnings per share	38.97	47.62

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.

Directors' Declaration

Heidelberg District Community Enterprise Limited 30th 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

floren horalle

Jeremy McAuliffe

Chair

16 September 2025

Independent Audit Report



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

Independent auditor's report to the Directors of Heidelberg District Community Enterprise Limited

Report on the audit of the financial report

Our opinion

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

- 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 Heidelberg District Community Enterprise 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.

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550 Dated: 16 September 2025

Jessica Ritchie Lead Auditor

Sponsorships and Grants 2024-25

Ivanhoe Bowling Club Inc.	Banyule Support & Information Centre (BANSIC)
Ivanhoe Cricket Club	Alphington Bowls Club Inc.
Ivanhoe East Primary School	Banyule City Council
Ivanhoe Football Club	Banyule Community Health Service
Ivanhoe Harriers Athletic Club	Banyule Junior Football Club
Ivanhoe Netball Club	Banyule Network of Uniting Churches
Ivanhoe Park Croquet Club Inc.	Big Group Hug
Jeff Wall Golf Classic	CAEX Bushwalking Club
Latrobe University Hockey Club	Catering for Change
Lower Plenty Cricket Club	City of Heidelberg Bowling Club Inc.
Lower Plenty Dance Group	Colombo Uni Alumni Assoc Vic
Macleod Football and Netball Club	CWA Heidelberg Branch
Macleod Junior Football Club	Darebin Creek Management Committee
Main Yarra Trail Classic	Defib for Life
Marcellin Old Collegians Football Club	Diamond Valley Superules Football Club
Melbourne Polytechnic	Eaglemont Tennis Club Inc.
Mother Tongue Poetry	East Ivanhoe Bowling Club
North Heidelberg Sporting Club	East Ivanhoe Business Association Inc.
Northcote United Cricket Club	Empire Music Studios
Olympic Village Exodus Community	Fairfield Primary School
Parkside Junior Football Club	Farm Raiser
Parkside Netball Club	Friends of Eaglemont Village
Pascoe Vale Futsal Club	Friends of Wilson Reserve Inc.
Patchworkers and Quilters Guild Vic	Go Girls Foundation
Preston Cricket Club	Harbour Care
SALT - Sport and Life Training	Heidelberg Allstars
St John the Evangelist Church, Mitcham	Heidelberg Football Club Inc.
St John's Catholic Tennis Club	Heidelberg Historical Society
Vic SES Heidelberg	Heidelberg Junior Football Club
Victorian Youth Polo Academy	Heidelberg Orchestras Inc.
Yarra Hockey Club	Heidelberg Preschool
Youth Foundation 3081	Heidelberg West Football Club

Total \$372,724

Community contributions and shareholder dividends 2024-25

Community Contributions

Financial Year	CEF*	Sponsorships	Total	Grants**
2001/04		\$10,000	\$10,000	
2004/05	\$50,000	\$12,330	\$62,330	
2005/06	\$120,000	\$41,450	\$161,450	\$48,050
2006/07	\$100,000	\$30,400	\$130,400	\$70,490
2007/08	\$148,000	\$43,300	\$191,300	\$122,751
2008/09	\$47,000	\$46,580	\$93,580	\$148,142
2009/10	\$75,064	\$97,110	\$172,174	\$113,372
2010/11	\$166,054	\$134,067	\$300,121	\$116,896
2011/12	\$170,000	\$168,566	\$338,566	\$130,058
2012/13	\$165,021	\$171,077	\$336,098	\$160,756
2013/14	\$165,000	\$185,975	\$350,975	\$112,150
2014/15	\$40,000	\$154,145	\$194,145	\$119,700
2015/16	\$180,000	\$132,816	\$312,816	\$89,537
2016/17	\$40,000	\$128,015	\$168,015	\$78,067
2017/18	\$205,000	\$141,250	\$346,250	\$85,617
2018/19	\$200,000	\$144,495	\$344,495	\$129,767
2019/20	\$20,000	\$142,914	\$162,914	\$133,350
2020/21	\$20,000	\$98,500	\$118,500	\$115,296
2021/22	\$20,000	\$93,082	\$113,082	\$31,824
2022/23	\$500,000	\$128,804	\$628,804	\$26,458
2023/24	\$270,000	\$235,834	\$505,834	\$176,996
2024/25	\$250,000	\$201,040	\$451,040	\$171,684
	\$2,951,139	\$2,541,750	\$5,492,889	\$2,180,961

Shareholder Dividends Paid

Financial Year	Cents per share	Total distribution
2004/05	5 cents	\$23,651
2005/06	10 cents	\$47,756
2006/07	10 cents	\$47,756
2007/08	13 cents	\$62,083
2008/09	13 cents	\$62,083
2009/10	2 cents	\$45,967
2010/11	3 cents	\$68,952
2011/12	5 cents	\$114,919
2012/13	6 cents	\$137,903
2013/14	6 cents	\$137,903
2014/15	6 cents	\$137,903
2015/16	5 cents	\$114,919
2016/17	5 cents	\$114,919
2017/18	6 cents	\$137,903
2018/19	7 cents	\$160,887
2019/20	7.5 cents	\$172,379
2020/21	4 cents	\$91,934
2021/22	2 cents	\$45,967
2022/23	4 cents	\$90,527
2023/24	10 cents	\$226,067
2024/25	10 cents	\$226,067
		\$2,268,445

^{*} CEF - Funds committed to the Community Enterprise Foundation by HDCE

^{**} Grants actually distributed by the CEF from contributions made by HDCE Note: CEF balance at 30 June 2025 was \$777,604.

Corporate Governance Statement 2024-25

Heidelberg District Community Enterprise Limited

Corporate governance encompasses the policies, rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. Heidelberg District Community Enterprise Limited's (HDCE) Board and management are committed to both the principles of good corporate governance and its practical implementation. HDCE has responsibilities to a diverse range of stakeholders – customers, shareholders, employees, Bendigo and Adelaide Bank, the community and regulators. Balancing these responsibilities rests with the Board of Directors and is generally managed through HDCE's Committees. The Board sets high standards for itself and the Company to ensure that the Company is not only well managed but also operates with the standard of ethics expected of a community focussed organisation.

General community expectations, as well as regulation, have resulted in an increased level of scrutiny of boards and corporate governance, especially companies providing financial services, and HDCE is no exception. The Board is responsible for ensuring that Directors, contractors, management and staff comply with the Company's ethical and operational standards and that the Company complies with its Bendigo and Adelaide Bank franchise obligations, the requirements of the Corporations Act and the Australian Securities and Investments Commission (ASIC) requirements for operating a Low Volume Market.

The responsibilities of the Board include:

- · Preparing the Company's strategy and objectives
- · Supporting the interests of the local community
- Promoting and developing the Company's business interests
- Reviewing and approving the budgets and business plans prepared by management and Bendigo and Adelaide Bank
- · Reviewing the performance of the Company against objectives, both financial and non-financial
- · Liaising with, and reporting to, Bendigo and Adelaide Bank
- Ensuring that community investments are appropriately managed and in line with the company's strategic direction
- Ensuring the effectiveness of the governance of the Company
- · Identifying and managing risks faced by the Company
- · Ensuring the adequacy of the internal controls, procedures and policies of the Company
- · Reporting to shareholders and other stakeholders.

Corporate Practice and Policies

The Company's corporate governance practices and policies have been developed by taking into account applicable requirements and recommendations in such things as:

- Corporations Act 2001 (Cth)
- Bendigo and Adelaide Bank's Franchise Agreement
- Australian Standard AS 8000 Good Corporate Governance
- ASIC Low Volume Market requirements
- The Australian Securities Exchange (ASX) Principles and Recommendations.

Corporate Governance Statement (continued)

The ASX publishes 8 Principles and Recommendations that apply to all entities listed on the ASX. ASX states however, that these Principles and Recommendations reflect a contemporary view of appropriate corporate governance standards, and that other bodies may find them helpful in formulating their governance rules or practices. Although not listed on the ASX, HDCE nevertheless subscribes to these ASX principles.

The 8 Principles are:

- 1. Lay solid foundations for management and oversight: An entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.
- 2. Structure the board to be effective and add value: The board of an entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.
- 3. Instil a culture of acting lawfully, ethically and responsibly: An entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.
- 4. Safeguard the integrity of corporate reports: An entity should have appropriate processes to verify the integrity of its corporate reports.
- 5. Make timely and balanced disclosure: An entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.
- 6. Respect the rights of security holders: An entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.
- 7. Recognise and manage risk: An entity should establish a sound risk management framework and periodically review the effectiveness of that framework.
- 8. Remunerate fairly and responsibly: An entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite. Note: HDCE adopts this Principle in regard to management but pays its Directors only modest remuneration as high quality directors are attracted to Community Banking by factors other than remuneration.

Accordingly, the Board has a code of conduct and a set of policies and procedures to ensure that high ethical and operational standards are maintained by the Board, management and employees of the Company. The Board is also committed to providing its shareholders with appropriate information regarding any matter that may materially affect the operation of the Company or more generally considered by the Board to be in shareholders' best interests. The Company encourages its shareholders to attend and actively participate in the Annual General Meeting and any Extraordinary General Meetings.

Operation of a Low Volume Market

The Board ensures the Low Volume Market trading process is well managed and governed and have completed considerable training by all Directors to understand and administer the Low Volume Market if required. Specific policy and procedure have been established to support strong governance in the management of the Low Volume Market.

The Board and Board Committees

The Board is ultimately responsible for ensuring integrity and serving the local Heidelberg and East Ivanhoe district communities, while at the same time, protecting shareholder interests and Bendigo and Adelaide Bank's reputation. At the date of this report, the Board consisted of 5 independent Non-executive Directors. An independent Non-executive Director is a Director that is independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment. Directors are required to attend all Board meetings unless prevented by other circumstances. To assist the Board in managing the business and achieve its objective of maintaining the highest standards of corporate governance, the Board delegates certain activities to Board Committees. Each of the Committees is composed of Directors and assisted by selected contractors.

Corporate Governance Statement (continued)

The Committees and their major objectives are:

Audit and Governance Committee – a) To ensure the accuracy of the Company's financial records, to monitor and mitigate risks facing the Company, and to ensure that the Company complies with both its fiduciary responsibilities and its franchise obligations; and b) To deal with all matters relating to the leased branch properties and the tenanted investment properties.

Community Investment Committee - To promote the Company within the Community and maximise the effectiveness of the Company's investment into sponsorship and marketing activities, and to actively provide business development opportunities for the branches to promote business growth; and

Human Resources Committee - To monitor and maintain all aspects of Board and employee relations, including recruitment and performance appraisal.

The Board meets monthly, together with management and Bendigo and Adelaide Bank's regional management, to review the performance of the business, assess its involvement in, and support for, community activities, review the activities of the Committees, monitor compliance with applicable legislation and other obligations, and discuss any other relevant matters. Additional meetings are convened as required to address specific matters. The Board also conducts an annual planning workshop to review the Company's strategy and objectives and put in place action plans to achieve these objectives. The Committees meet monthly, bi-monthly, or as required to review their respective functions.

Appointment and removal of the management of the Company is a function of the Board as a whole. Certain powers have been delegated by the Board to Directors and management to allow the Company to carry on its business in the most efficient manner. These delegated authorities are approved by the Board and include certain financial and non-financial matters. Management provides regular information to the Board in a concise and timely manner to enable the Board to review the operations of the Company and make informed decisions and discharge its duties.

The Board reviews the Company's operations and performance with Bendigo and Adelaide Bank at a minimum monthly, or more frequently if required, to ensure the Company's operations and practices align with those of Bendigo and Adelaide Bank and the Community Bank network.

Significant activities of note in 2025

Franchise Agreement

In 2025, our franchisor Bendigo and Adelaide Bank announced proposed changes to the franchise agreement in line with legislated changes to the Franchising Code of Conduct. The changes to the Franchising Code of Conduct became effective 1st April 2025.

For HDCE, as we entered into a new franchise agreement in 2024 Financial Year for a five year term, any changes to our franchise agreement will not come into effect until our renewal at the end of this current five-year term.

However, potentially impactful changes to our franchise agreement have been examined by the Audit and Governance Committee and have determined the following changes require ongoing risk management:

- Franchise agreements must provide franchisees with a reasonable opportunity to earn a return on investment, considering upfront and ongoing costs.
- Franchisors may terminate agreements with seven days' notice for serious breaches such as Fair Work violations, migration breaches, wage theft and deregistration with no dispute resolution required.
- Franchise agreements must include compensation provisions if the franchisor withdraws from the Australian Market, restructures networks or changes their distribution model. Compensation must cover lost profits, unrecovered capital expenditure, goodwill and winding up costs.

The Audit and Governance Committee have implemented a strong risk register as well as a Governance Framework to ensure we are continually adhering to our franchise agreement, Bendigo and Adelaide Bank Policy and Procedure, *Corporations Act (2001)* and employment law.

Low Volume Market Report 2024-25

Heidelberg District Community Enterprise Limited is a public company incorporated in Australia and operates a Low Volume Market under approval from ASIC.

The Company provides the following information, current as at 30 June 2025.

Shareholding

The following table shows the number of shareholders by category according to the total number of shares held:

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	75	51,338
1,001 to 5,000	202	509,206
5,001 to 10,000	52	421,934
10,001 to 100,000	64	1,278,188
100,001 and over	-	-
Total shareholders	393	2,260,666

Equity Securities

- · Each of the above shareholders is entitled to 1 vote, irrespective of the number of shares held
- · There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote
- There are 45 shareholders holding less than a marketable parcel of shares (\$500 in value)
- · There are no restricted securities on issue
- · All shares on issue are ordinary shares fully paid to \$1
- There are no unquoted equity securities
- The total number of shareholders is 393
- · Total number of shares is 2,260,666

Ten largest shareholders

The following table shows the largest shareholders:

Shareholder	Number of shares	Percentage of capital
Mrs Margaret Vawser	83,100	3.67%
Valley Maintenance Services	80,000	3.53%
Gittings Family Superannuation Fund	60,000	2.65%
Northern Suburbs Secretarial Services Pty Ltd	50,050	2.21%
Exardua Superannuation	48,707	2.15%
Tessala Pty Ltd Superannuation Fund	43,275	1.91%
Mr Colin Alexander	40,733	1.80%
Mr Abraham Khoury	32,075	1.42%
Mrs Jillian Anne Cobb	25,000	1.11%
Purser Family Trust	23,000	1.02%
Total	485,940	21.47%

Low Volume Market Report 2024-25 (continued)

Company Secretary

Company Secretary

Michelle Baker has been the Company Secretary of Heidelberg District Community Enterprise Limited for two years. Michelle holds a Bachelor of Arts and Advanced Diploma in Business. Michelle is an experienced Company Secretary within the Community Bank network.

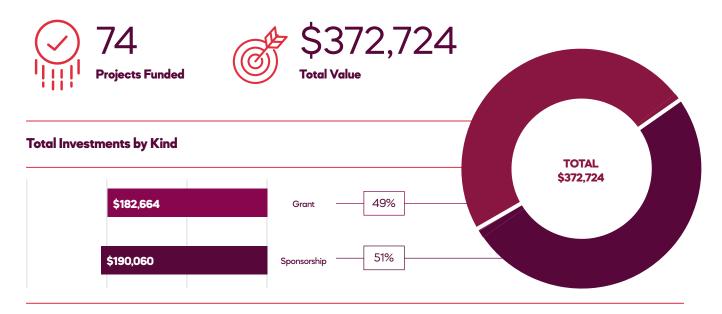
Directors' Right to Subscribe for Equity or Debt Securities

No Director holds any right to subscribe to equity or debt securities of the Company.

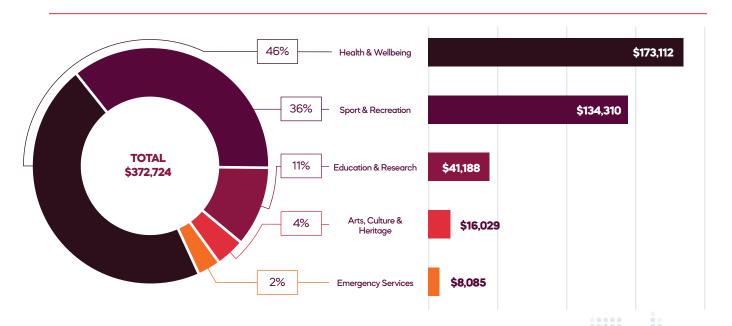


Community Contributions 2024-25

Heidelberg District Community Enterprise Limited



Total Investments by Sector



National Contributions 2024-25







Community Bank

Community Bank · East Ivanhoe 233 - 235 Lower Heidelberg Road, East Ivanhoe VIC 3079

Phone: 9497 5133 Fax: 9497 5233

Email: EastIvanhoeMailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/east_ivanhoe

Franchisee: Heidelberg District Community Enterprise Limited

ABN: 62 095 312 744

233 - 235 Lower Heidelberg Road

East Ivanhoe VIC 3079

Phone: 9497 5133 Fax: 9497 5233

Email: EastIvanhoeMailbox@bendigoadelaide.com.au

Share Registry:

AFS & Associates Pty Ltd PO Box 454, Bendigo VIC 3552

Phone: 5443 0344 Fax: 5443 5304

Email: shareregistry@afsbendigo.com.au



O /instagram.com/cb_eastivanhoeheidelberg

This Annual Report has been printed on 100% Recycled Paper

