

Annual Report 2025

Inner West Community
Enterprises Limited

Community Bank
Seddon

ABN 93 124 893 705



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Chair's report

For year ending 30 June 2025



Along with our partner Bendigo and Adelaide Bank, we hold lofty ambitions to continue to grow. This means continuing to evolve as the needs of our customers change. The future of banking branches and how we service customers in an increasingly digital age will evolve. This evolution will always have our customers and community at its core, and we are excited to see what the future holds.

As Directors of Inner West Community Enterprises Limited (IWCEL), the business behind Community Bank Seddon, we hold privileged positions along with our fellow 1,200 Community Bank directors, as custodians of not only our organisations but also of the Community Bank model.

Community Banks have supported Australians for nearly 30 years and last year contributed over \$50 million in direct community investment. What started as a requirement to keep banking services in local shopping areas and towns, community banks have now grown to be the biggest network of social enterprises across Australia. This Australian-born model has delivered over \$416 million in investment to drive community resilience.

Along with our partner Bendigo and Adelaide Bank, we hold lofty ambitions to continue to grow. This means continuing to evolve as the needs of our customers change. The future of banking branches and how we service customers in an increasingly digital age will evolve. This evolution will always have our customers and community at its core, and we are excited to see what the future holds.

Our branch is already about so much more than transactions. It's an art gallery, a drop off point for many community giving initiatives, a place to collect the award-winning local paper *The Westsider*, a shop front to sell Country Women's Association jam, a place where community groups come for financial support and a place where our customers can even vote for their favourite local



Top: IWCEL team celebrating this year's Community Bank Seddon Scholarship recipients Rashid and Lachlan.
Above left: Wal and Suzanne dropping in to an Inner West Symphony Orchestra rehearsal.
Above right: Green Collect's Green West Fest.

Chair's report (continued)

group in our popular 'Tokens of Appreciation' campaigns. We know that our branch holds an important place in our community, and we are always looking for ways to continue to provide connections between our customers and our community, AND give great banking service.

This year, in our inner west community, we are proud to have contributed \$975,000 which has added to our impressive \$4,447,422 across our 16 years of operation. We have also continued to grow employment opportunities, deliver shareholder returns and increase our positive impact on the lives of the people who live and work in this community.



Above left: The Team celebrating the \$420 million of funds under management thanks to the trust of our customers.



Above right: Michelle, Dom and Julia during our 'Tokens of Appreciation' campaign.

In Financial Year 2025, Inner West Community Enterprises Limited delivered another amazing milestone of over \$400 million of funds under management. Our revenue of \$2,640,932 even in a challenging economic climate, again showed that when people understand the strength of our partner Bendigo Bank and the point of difference of Community Banks, they embrace us as their primary financial institution. This year-on-year above systems growth is evidence of the faith our community has in the support and service they will receive when they bank with Ashley Coles and our team. This year, we were thrilled that our team has taken home the Community Impact Award for our region. This recognises the careful community investment decisions we make to impact our community, the efforts of our volunteer board and most importantly the commitment our team has to our customers and community. The fact that our team willingly volunteer their time for our community partners, getting involved in events, fundraising and even sports events at The Huddle, shows how our community is at the core of what we do.

Our team, led by Ashley, includes Stuart Stirling, Esha Shrestha, Angela Benedict, Teena Brown, Trish Roache, Dom Kovesy, Julia Nguyen, Michelle Gondra and our newest recruit Loveleen Kaur. Our Community Engagement Manager, Suzanne Saunders, is a familiar face to many community, sporting and school groups, and is the connection between our branch and the community. This incredibly successful team has driven several initiatives, community engagement activities and investments that have materially contributed to the well-being and resilience of our community.



Community Bank Seddon team at Local Impact's Gather for Good event.

Chair's report (continued)

From our continued support of The Huddle, Urban Camp, Inner West Symphony Orchestra and numerous other organisations to the scholarship program that we continue to invest in, the profit from the work by this team makes a tangible difference every day to our locals.

At IWCEL, we have taken a two-pronged approach to our community investment to not only deal with immediate concerns like food insecurity and affordable access to sport, but to take a generational view to build a better place and more opportunities for our community. This has led us to continue our commitment to Local Impact.



Members of the Bendigo Bank executive team attending bike maintenance class at the Community Bike Hub's Mills Close volunteer centre.

Local Impact delivers financial literacy and STEM education programs to Year 9 students in our community, among other successful and valued initiatives. This is part of the 3 pillars of Education, Connection and Support that will have a long-term positive impact on the inner west.

We are proud to partner with Local Impact and thank Andy Moutray-Read and his team, including Amy McArthur, Aruna Venkatachalam, Kelly Mevel, Harper Pestinger, Barbara Heggen, India Grigg, and Stacey Gentilcore, who also supports the Board of IWCEL as our Executive Officer.



Above left: MP Dan Mulino, Marnie Baker, Sarah Franklyn, Andy Moutray-Read, Sally Quinn, and Jen Riley at Gather for Good.

Above right: The Local Impact team at Gather for Good.

Right: Sarah, Andy, Marnie, Sally and Jen during the panel discussion.



Chair's report (continued)

My fellow board members, Company Secretary David St John, Treasurer Jack Fitcher, former Chair Wal Wiersma, Jenny Britt, Pamela Sutton-Legaud, Freddy Lopez and Marcus Olive have continued to volunteer their time, passion and expertise to help steer our organisation and support the team to deliver this wonderful result. I thank them on behalf of our organisation and our shareholders.



2024 IWCEL AGM Attendees.

In closing, I want to say what an honour it is to serve as the Chair of Inner West Community Enterprises Limited. The people I meet, the stories I hear and the events I get to attend in discharging this role have connected me to the very soul of the inner west. This place, our place, is so special and I am so excited to be part of making it fairer, greener, safer and more liveable for everyone here.

Sarah Natalie Franklyn
Chair
Inner West Community Enterprises Limited



Manager's report

For year ending 30 June 2025



I am proud to lead a team that is the role model of their peers. Their performance, output and resilience shown each and every day leaves me in constant awe. They have a genuine care for their peers, their customers, and their community.

I am pleased to present my tenth annual report for Community Bank Seddon for the financial year ending 30 June 2025. In what has been such a high paced year, preparing this report has been a great time to reflect upon all the great achievements of the past 12 months.

Historically, I start these reports with the financial achievements of the year, without necessarily relaying the context and importance. Without the below noted financial achievements, the \$4.4 million dollars in contribution back into our community simply wouldn't be possible.

Each year, we set ourselves the goal to be region leading in all areas of our banking business and I'm glad to report that we made this goal a reality.

Key figures 2024/25 financial year

- Our business grew by \$41.5M to \$419M
- 249 Home Loan Applications @ \$108M
- 136 Home Loan Approvals @ \$59M
- 117 Home Loan Settlements @ \$50.2M
- Region leading results in insurance sales
- Region leading lending growth
- Nation leading results in wealth referrals



Meet the team from Community Bank Seddon.

Manager's report (continued)

That's the numbers, but there's so much more.

I am proud to lead a team that is the role model of their peers. Their performance, output and resilience shown each and every day leaves me in constant awe. They have a genuine care for their peers, their customers, and their community.

It's always sad when members of our team leave, this year Teena Brown and Julia Nguyen have moved on from our team. Both have been instrumental in maintaining our branch culture and have set a high bar for our newest staff members, Michelle and Loveleen.

While the branch team is committed to meeting the needs of their customers, they are equally committed to their support of the local community.



Above left: With MP Dan Mulino and Katie Hall supporting the Maribyrnong Swifts FC.

Above right: Stu with West Footscray FC Senior Women's Netball team.

Right: Members of Melbourne City FC proudly supported by Community Bank Seddon.



Our engagement with the local community has increased substantially, reflecting the greater need for support and funding. Young people and education continue to be a focus of our sponsorship and grants programs supporting organisations such as The Huddle, Urban Camp, Inner West Symphony Orchestra, and numerous local sporting clubs and neighbourhood houses. Engagement with schools has also increased, thanks to Inform & Empower, the Money Mentor Program and the Community Bike Hub.



Above left: Dropping off donations to Master Dry Cleaners for Reaching Out in the Inner West of Melbourne's Winter Coat Drive.

Above right: The team with some of the wonderful donations towards West Welcome Wagon's Christmas Toy Drive.



Manager's report (continued)

Supporting the community goes beyond funding and we are grateful to have hosted in-branch campaigns, provided staff to volunteer with local organisations, and supported local events to demonstrate this. In the past 12 months, our branch has provided space for community support of many campaigns including:

- West Welcome Wagon's Christmas Toy Drive
- Reaching Out in the Inner West of Melbourne's Winter Coat Drive
- Foodbank's Annual Food Drive
- CWA Footscray's Produce Stall
- Big Group Hug's Baby Essentials campaign

Our staff volunteering program enables the team to see first-hand the impact of our support, often spending time outside of work hours helping out at The Huddle, Ardoch, Seddon Village Traders Association and various tree planting, sporting club and community events.



Above left: Angela helping out at The Huddle's School Holiday Program.
Above right: Branch staff volunteering at Ardoch.



The in-branch art exhibitions create much needed opportunities for local artists and are welcomed by customers and the community alike, with many artists benefitting from greater engagement and sales of their work.



Local artists clockwise from top left: Arina Apostolova, Dave Behrens, Brigit Ingram, Larissa McFarlane.

Manager's report (continued)

To those shareholders who do bank with Community Bank Seddon, I thank you for your current and continued support. We couldn't do what we do without you.

Our team - Stuart, Esha, Angela, Teena, Trish, Dom, Loveleen, Julia and Suzanne – have never been more passionate about doing their very best for our customers and community.

With their continued drive and commitment, I look forward to what we can achieve in the coming financial year. Thank you for all the support you have provided to me and the outstanding work you do, which I know our customers also greatly appreciate.

Finally, on behalf of the team at Community Bank Seddon and myself, thank you to all who continue to invest in and directly support their community by banking with us.



Ashley Coles
Bank Manager
Community Bank Seddon

Snapshot of 2023/2024



\$975,000

Invested back into the community



106

Community groups and sporting clubs



2

Community newspapers



9

In-branch community campaigns



6

Local artists



31

Schools and kinders



8

Local festivals or events



2

Scholarships



181

Volunteer hours

Bendigo and Adelaide Bank report

For year ending 30 June 2025

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

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

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

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

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

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

Justine Minne

Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



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, 1,500+ volunteer Directors, 1,700 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 formally 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

For the financial year ended 30 June 2025

Your directors submit the financial statements of the company for the financial year ended 30 June 2025.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

Sarah Natalie Franklyn

Director

Occupation: Head of Partnerships

Qualifications and Experience: With a Bachelor of Business Marketing from Monash, Sarah has spent many years working in the loyalty, membership and digital industries across a number of sectors along with volunteering her time as a mentor to university graduates and other community groups. Sarah has also worked as a consultant for many small businesses and entrepreneurs to help build their marketing and business plans. A long-term resident of Yarraville, Sarah shares a passion for the people and places of the inner west.

Special responsibilities: Chairperson

Interests in shares: 2,050

Jan Jelte Wiersma

Director

Occupation: Consultant

Qualifications and experience: Consultant in residential tertiary education. Former General Manager at Melbourne and Mt Eliza Business Schools. Past Dean at Trinity College, University of Melbourne and St Mark's College, University of Adelaide. Involved in Cross-Safe Yarraville and Preserve Yarraville Village.

Special responsibilities: None

Interest in shares: 1,000

David St John

Director

Occupation: Engineering Management

Qualifications and experience: David has been employed for over 40 years in the shipbuilding & aerospace industries at Williamstown & Richmond in roles such as payroll, systems development, statistical analysis, technical writing, logistics analysis and engineering management.

Special responsibilities: Company Secretary

Interest in shares: 2,100

Directors' report (continued)

Directors (continued)

Jonathon Victor Fitcher

Director

Occupation: Chief Financial Officer

Qualifications and Experience: Jack is a qualified Certified Practising Accountant and a member of the Australian Institute of Company Directors. He has over 20 years' experience working in finance roles across various industries and his current role is Head of Finance and Technology at the Law Institute of Victoria.

Special responsibilities: Treasurer

Interest in shares: 5,000

Jennifer Anne Britt

Director

Occupation: Consultant

Qualifications and experience: Combining passion and purpose, Jenny is focussed on local solutions to build stronger communities. A Graduate of the Australian institute of Company Directors, Deakin MBA and the Williamson Community Leadership programs, Jenny is a Non-Executive Director of the Seddon Community Bank, and Committee member to a range of environmental, social enterprise and sporting organisations.

Special responsibilities: None

Interest in shares: Nil

Pamela Sutton-Legaud

Director

Occupation: C.E.O.

Qualifications and Experience: Pamela is a seasoned business strategy specialist who has made significant contributions to both the non-profit and commercial sectors.

Pamela serves as a Director or Trustee on several non-profit boards including BirdLife Australia, Hobsons Bay Community Fund, Hobsons Bay Wetlands Centre and the Western Melbourne Tourism Board. In recognition of her achievements, she was awarded the 2006 Victorian Telstra Businesswoman of the Year award (Community & Government) for her work with Plan International and the Melbourne 2006 Commonwealth Games.

Pamela has a Master of Business Administration (MBA) and is a qualified member of the Australian Institute of Company Directors.

She is the author of The Fundraiser's Handbook.

Special responsibilities: None

Interest in shares: 1,575

Freddy Lopez

Director

Occupation: Commercial Manager

Qualifications and experience: Freddy is an FCPA with experience gained across diverse ASX listed organisations. Expertise spans commercial, business development and operations, with a demonstrated capacity to develop and execute strategy and build strong teams.

Special responsibilities: None

Interest in shares: 60,421

Directors' report (continued)

Directors (continued)

Marcus Olive

Director

Occupation: General Manager Infrastructure Delivery, APA Group

Qualifications and Experience: Marcus has dual undergraduate degrees from Monash University in Civil Engineering and Arts. He then went on to gain an Executive MBA from RMIT in 2011, and is a recent graduate and member of the Australian Institute of Company Directors. Marcus has a strong background in the delivery of projects and initiatives, and particularly the risk and stakeholder management to make such projects a success. He has been a Yarraville resident for 17 years, and has been actively involved in the local primary school and community sport.

Special responsibilities: None

Interest in shares: Nil

Directors were in office for this entire year unless otherwise stated.

No directors have material interests in contracts or proposed contracts with the company.

Company Secretary

The company secretary is David St John.

David has held a range of positions in administrative and technical roles in the shipbuilding industry.

Principal Activities

The principal activities of the company during the financial year were facilitating Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have been no significant changes in the nature of these activities during the year.

Operating Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2025	Year ended 30 June 2024
\$	\$
21,402	17,307

Remuneration Report

Directors' remuneration

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

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

Transactions with directors

There were no transactions with directors during the period under review.

Directors' report (continued)

Remuneration Report (continued)

Directors' shareholdings

	Balance at start of the year	Changes during the year	Balance at end of the year	Transactions after end of the year
Jan Jelte Wiersma	1,000	-	1,000	-
David St John	2,100	-	2,100	-
Jonathon Victor Fitcher (owned by Spouse)	5,000	-	5,000	-
Jennifer Anne Britt	-	-	-	-
Sarah Franklyn	2,050	-	2,050	-
Pamela Sutton-Legaud	-	1,575	1,575	-
Freddy Lopez	60,421	-	60,421	-
Marcus Olive	-	-	-	-

Dividends

	Year ended 30 June 2025		Year ended 30 June 2024	
	Cents	\$	Cents	\$
Final dividends paid	9.00	60,093	7.00	46,739

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

No matter has evolved since 30 June 2025 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

Likely Developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

The company is not subject to any significant environmental regulation.

Indemnification and insurance of directors and officers

The company has indemnified all directors 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 or manager of the company except where the liability arises out of conduct specifically excluded by the insurance policy.

Directors' report (continued)

Directors' Meetings

	Board Meetings Attended	
	Eligible	Attended
Jan Jelte Wiersma	6	6
David St John	6	6
Jonathon Victor Fitcher	6	2
Jennifer Anne Britt	6	4
Sarah Franklyn	6	5
Pamela Sutton-Legaud	4	4
Freddy Lopez	6	6
Marcus Olive	5	3

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

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 (Frederik Eksteen of Collins & Co Audit Pty Ltd) for audit and non-audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes 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 committee to ensure they do not impact on the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

Signed in accordance with a resolution of the board of directors at Seddon, Victoria on 24th September 2025.



Sarah Natalie Franklyn
Chairperson

Auditor's independence declaration

TOWARDS A VISION SHARED



**Collins & Co
Audit Pty Ltd**

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
INNER WEST COMMUNITY ENTERPRISES LIMITED
A.B.N. 93 124 893 705**

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2025 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contravention of any applicable code of professional conduct in relation to the audit.

**Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448**

**Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011**

Dated this 24th day of September 2025

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenues from ordinary activities	4	2,640,932	2,658,226
Employee benefits expenses		(1,226,310)	(1,333,937)
Charitable donations, sponsorship, advertising and promotion		(997,793)	(955,195)
Occupancy and associated costs		(56,997)	(61,782)
Systems costs		(42,521)	(39,862)
Depreciation and amortisation expense	5	(88,353)	(65,482)
Finance costs	5	(29,508)	(16,681)
General administration expenses		(212,207)	(161,465)
Gain on change in right of use assets & lease liabilities		38,476	-
Profit before income tax expense		25,719	23,822
Income tax (expense)/ benefit	6	(4,307)	(6,515)
Profit after income tax expense		21,412	17,307
Total comprehensive income for the year attributable to members		21,412	17,307
Earnings per share (cents per share)		c	c
Basic attributable profit for the period:	21	3.21	2.59

The Statement of Comprehensive Income is to be read in conjunction with the independent audit report and the notes to the financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	140,895	157,655
Trade and other receivables	8	259,263	277,634
TOTAL CURRENT ASSETS		400,158	435,289
NON CURRENT ASSETS			
Property, plant & equipment	9	60,913	68,185
Intangible assets	10	1,497,561	1,118,850
Deferred tax asset	11	38,897	42,838
TOTAL NON-CURRENT ASSETS		1,597,371	1,229,873
TOTAL ASSETS		1,997,529	1,665,162
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	909,951	923,223
Tax liability	11	1,998	(5,937)
Provisions	13	34,502	42,146
Borrowings	14	50,282	45,244
TOTAL CURRENT LIABILITIES		996,733	1,004,676
NON-CURRENT LIABILITIES			
Provisions	13	99,309	90,729
Borrowings	14	580,285	209,874
TOTAL NON-CURRENT LIABILITIES		679,594	300,603
TOTAL LIABILITIES		1,676,327	1,305,279
NET ASSETS		321,202	359,883
EQUITY			
Issued share capital		607,707	607,707
Accumulated funds/ (losses)		(286,505)	(247,824)
TOTAL EQUITY		321,202	359,883

The balance sheet is to be read in conjunction with the independent audit report and the notes to the financial statements.

Financial statements (continued)

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

	Issued share capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2023	607,707	(218,392)	389,315
Total comprehensive income for the year	-	17,307	17,307
	607,707	(201,085)	406,622
<i>Transactions with owners in their capacity as owners:</i>			
Shares issued during period	-	-	-
Dividends provided for or paid	-	(46,739)	(46,739)
Balance at 30 June 2024	607,707	(247,824)	359,883
Balance as at 1 July 2024	607,707	(247,824)	359,883
Total comprehensive income for the year	-	21,412	21,412
	607,707	(226,412)	381,295
<i>Transactions with owners in their capacity as owners:</i>			
Shares issued during period	-	-	-
Dividends provided for or paid	-	(60,093)	(60,093)
Balance as at 30 June 2025	607,707	(286,505)	321,202

The statement of changes in equity is to be read in conjunction with the independent audit report and the notes to the financial statements.

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash Flows From Operating Activities			
Receipts from customers		2,656,477	2,681,595
Payments to suppliers and employees		(2,545,338)	(3,049,696)
Interest paid		(29,508)	(16,681)
Income tax paid		7,570	(19,474)
Net cash generated from/ (used in) operating activities	17	89,200	(404,257)
Cash Flows From Investing Activities			
Payment for property, plant and equipment		-	-
Payment for goodwill		-	-
Payment for intangible assets		-	-
Net cash (used in)/ provided by investing activities		-	-
Cash Flows From Financing Activities			
Repayment of borrowings		-	-
Repayment of lease liability		(45,867)	(41,767)
Dividends paid		(60,093)	(46,739)
Net cash used in financing activities		(105,960)	(88,506)
Net increase/ (decrease) in cash held		(16,760)	(492,763)
Cash and cash equivalents at beginning of financial year		157,655	650,418
Cash and cash equivalents at end of financial year	7	140,895	157,655

The statement of cash flows is to be read in conjunction with the independent audit report and the notes to the financial statements.

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Statement of Significant Accounting Policies

The financial statements and notes represent those of Inner West Community Enterprises Limited, the Company.

Statement of Compliance

These financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards.

Basis of Preparation

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

Where required by Australian Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank® branch at Seddon, Victoria.

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

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank® branch 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 in relation to:

- advice and assistance in relation to the design, layout and fit out of the Community Bank® branch
- 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.

Notes to the financial statements (continued)

Note 1. Statement of Significant Accounting Policies (continued)

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as "day to day" banking business (i.e. 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (i.e. 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 and February 2013 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank® partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and Community Bank® companies remain balanced.

The third source of revenue is a proportion of the fees and charges (i.e. what are commonly referred to as 'bank fees and charges') charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the financial statements (continued)

Note 1. Statement of Significant Accounting Policies (continued)

Employee entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements 40 years
- plant and equipment 2.5 - 40 years
- furniture and fittings 4 - 40 years

Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The right of use asset - leased premises is amortised on a straight line basis over the life of the lease agreement.

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

Notes to the financial statements (continued)

Note 1. Statement of Significant Accounting Policies (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in the Statement of Comprehensive Income. Available-for-sale financial assets are included in non-current assets except where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the financial statements (continued)

Note 1. Statement of Significant Accounting Policies (continued)

Leased Assets

For any new contracts entered on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting for Leases under AASB 16

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

Notes to the financial statements (continued)

Note 1. Statement of Significant Accounting Policies (continued)

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Note 2. Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) 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.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and 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 believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the balance sheet.

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:

- (a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee 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 year ended 30 June 2025 can be seen in the statement of comprehensive income.

There were no changes in the company's approach to capital management during the year.

Notes to the financial statements (continued)

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty. There is therefore a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that 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 the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements (continued)

	2025 \$	2024 \$
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Note 4. Revenue from ordinary activities

Operating activities:		
- services commissions	2,640,932	2,658,226
Total revenue from operating activities	2,640,932	2,658,226
Non-operating activities:		
- interest received	-	-
Total revenues from ordinary activities	2,640,932	2,658,226

Note 5. Expenses

Depreciation of non-current assets:		
- plant and equipment	574	770
- leasehold improvements	6,697	7,945
Amortisation of non-current assets:		
- franchise agreement	2,420	2,420
- franchise renewal fee	11,019	11,019
- right of use asset - leased premises	67,643	43,328
Finance costs:		
- finance charges on lease liability	29,508	16,681
Bad debts	1,098	336

Note 6. Income tax expense/credit

The components of tax expense comprise:		
- Current tax	8,248	6,497
- Movement in deferred tax	(3,941)	17
	4,307	6,514

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating profit	25,719	23,822
Prima facie tax on profit from ordinary activities at 25% (2024: 25%)	6,430	5,955
Prior Year Adjustment	(2,683)	-
Add tax effect of:		
- non-deductible expenses	560	559
- timing difference expenses	3,941	(17)
Current tax	8,248	6,497
Movement in deferred tax	(3,941)	17
	4,307	6,514

Notes to the financial statements (continued)

	2025 \$	2024 \$
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Note 7. Cash and cash equivalents

Cash at bank and on hand	140,895	157,655
	140,895	157,655

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash at bank and on hand	140,895	157,655
	140,895	157,655

Note 8. Trade and other receivables

Trade receivables	214,720	230,265
Prepayments	43,543	46,369
Security bond	1,000	1,000
	259,263	277,634

Note 9. Property, plant and equipment

Plant and equipment

At cost	39,293	39,293
Less accumulated depreciation	(33,391)	(32,817)
	5,902	6,476

Leasehold improvements

At cost	209,649	209,649
Less accumulated depreciation	(154,638)	(147,940)
	55,011	61,709

Total Written Down Value

	60,913	68,185
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Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	6,476	7,246
Additions	-	-
Disposals	-	-
Less: depreciation expense	(574)	(770)
Carrying amount at end	5,902	6,476

Leasehold improvements

Carrying amount at beginning	61,709	69,654
Additions	-	-
Disposals	-	-
Less: depreciation expense	(6,698)	(7,945)
Carrying amount at end	55,011	61,709
Total written down value	60,913	68,185

Notes to the financial statements (continued)

	2025 \$	2024 \$
Note 10. Intangible assets		
Franchise fee		
At cost	11,199	11,199
Less: accumulated amortisation	(4,737)	(2,498)
	6,462	8,701
Renewal processing fee		
At cost	55,995	55,995
Less: accumulated amortisation	(23,687)	(12,488)
	32,308	43,507
Right of use asset - leased premises		
At cost	676,434	433,284
Less: accumulated amortisation	(67,643)	(216,642)
	608,791	216,642
Goodwill on acquisition of Flemington Financial Services Ltd business	850,000	850,000
Total Written Down Value	1,497,561	1,118,850

Note 11. Taxation

Income Tax Payable/ (Refund)	1,998	(5,937)
Deferred tax assets		
- employee provisions	33,453	33,219
- leases	5,444	9,619
Total deferred tax assets	38,897	42,838
Deferred tax liability		
- deductible prepayments	-	-
Total deferred tax liabilities	-	-
Net deferred tax asset	38,897	42,838
Movement in deferred tax charged to statement of comprehensive income	3,941	(17)

Note 12. Trade and other payables

Trade creditors	909,096	893,407
Other creditors and accruals	855	29,816
	909,951	923,223

Included in Trade Creditors at 30 June 2025 is an amount of \$852,500 (2024: \$836,000) owed to Inner West Community Foundation for the annual sponsorship arrangement.

Notes to the financial statements (continued)

	2025 \$	2024 \$
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Note 13. Provisions

Current:

Provision for annual leave	34,502	42,146
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Non-Current:

Provision for long service leave	99,309	90,729
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Note 14. Borrowings

Current:

Lease liability - leased premises	50,282	45,244
	50,282	45,244

Non-Current:

Lease liability - leased premises	580,285	209,874
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Note 15. Contributed equity

667,696 ordinary shares fully paid (2024: 667,696)	635,901	635,901
Less: equity raising expenses (Seddon)	(28,194)	(28,194)
	607,707	607,707

Rights attached to shares

(a) 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.

(b) 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 and Adelaide Bank Limited 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).

(c) 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*.

Notes to the financial statements (continued)

Note 15. Contributed equity (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 255. As at the date of this report, the company had 255 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 his or her associates) have a prohibited shareholding interest, 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.

	2025 \$	2024 \$
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Note 16. Statement of cash flows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities:

Profit from ordinary activities before income tax	25,719	23,822
<i>Non cash items:</i>		
- depreciation	7,271	8,715
- amortisation	81,082	56,767
- gain on change in right of use assets & lease liabilities	(38,476)	
<i>Changes in assets and liabilities:</i>		
- (increase)/ decrease in receivables	15,545	23,369
- (increase)/ decrease in prepayments & other assets	2,826	(10,474)
- increase/ (decrease) in payables	(13,272)	(485,486)
- increase/ (decrease) in provisions	936	(1,495)
- (increase)/ decrease in deferred tax assets	3,941	(17)
- increase/ (decrease) in income tax liabilities	3,628	(19,458)
Net cash flows provided by operating activities	89,200	(404,257)

Notes to the financial statements (continued)

	2025 \$	2024 \$
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Note 17. Auditor's remuneration

Amounts received or due and receivable by the auditor of the company for:

Frederik Eksteen of Collins & Co Audit Pty Ltd		
- audit and review services	4,775	4,575
- non-audit services	-	-
	4,775	4,575

Note 18. Director and related party disclosures

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

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

Transactions with directors

There were no transactions with directors during the period under review.

Key Management Personnel Shareholdings

Ordinary shares fully paid	10,150	10,150
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Detailed shareholding disclosures are provided in the remuneration report, included as part of the directors' report.

Note 19. Dividends paid or provided

Dividends paid during the year

- Unfranked dividend - 9 cents (2024: 7 cents) per share	60,093	46,739
	60,093	46,739

Note 20. Earnings per share

(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	21,412	17,307
---	---------------	---------------

	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	667,696	667,696

Note 21. Events occurring after the reporting date

No matter has evolved since 30 June 2025 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

Notes to the financial statements (continued)

Note 22. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 23. Segment reporting

The economic entity operates in the service sector where it facilitates Community Bank® services in Inner West Melbourne, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 24. Registered office/ Principal place of business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office

90 Charles Street
Seddon Vic 3011

Principal Place of Business

90 Charles Street
Seddon Vic 3011

Note 25. Financial instruments

Financial Instrument Composition and Maturity Analysis

The information below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement period for instruments with a fixed period of maturity and interest rate.

Financial instrument	Floating interest		Fixed interest rate maturing in						Non interest bearing		Weighted Average	
	2025	2024	1 year or less		Over 1 to 5 years		Over 5 years		2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash and cash equivalents	140,895	650,418	-	-	-	-	-	-	-	-	0.25%	2.00%
Receivables	-	-	-	-	-	-	-	-	214,720	230,265	N/A	N/A
Financial liabilities												
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Payables	-	-	-	-	-	-	-	-	909,951	923,223	N/A	N/A

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. The company does not have any unrecognised financial instruments at the year end.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the interest bearing financial assets and liabilities in place subject to variable interest rates.

Directors' declaration

In accordance with a resolution of the directors of Inner West Community Enterprises Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the company as at 30 June 2025 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date;
 - (b) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the *Corporations Regulations 2001*.

This declaration is made in accordance with a resolution of the board of directors.

Chairman

A handwritten signature in dark ink, consisting of a large, stylized 'S' or 'C' shape followed by a horizontal line.

Dated this 24th day of September 2025

Independent audit report

TOWARDS A VISION SHARED



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INNER WEST COMMUNITY ENTERPRISES LIMITED
A.B.N. 93 124 893 705
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Audit Opinion

I have audited the accompanying financial report of Inner West Community Enterprises Limited (the company), which comprises the statement of financial position as at 30 June 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In my opinion:

the financial report of Inner West Community Enterprises Limited is in accordance with the Corporations Act 2001, including:

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing the Corporation'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

My 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Dated this 24th day of September 2025

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

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Web: bendigobank.com.au/seddon

Franchisee: Inner West Community Enterprises Limited
ABN: 93 124 893 705
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