

Annual Report 2025

Katoomba & Upper Blue
Mountains Community
Enterprise Limited

Community Bank
Katoomba & Upper Blue Mountains

ABN 55 134 947 201

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Chairman's report

For year ending 30 June 2025

I am very pleased to present my report for the year ended 30 June 2025.

It has been a year of milestones. In December 2024 we marked 15 years since our branch opened for business, and earlier this year we also reached a major achievement, having contributed more than \$1 million in sponsorships and grants to our community. We also undertook a major refurbishment of our branch premises, which will provide better working conditions for our staff, and a more contemporary environment for customers. At a time when many banking services can be accessed electronically, we still have many customers who choose to do their banking face-to-face.

Despite the ongoing uncertain economic times, we have had another successful year, with profit down only marginally from the previous period. This was more than offset by the increased investment in our sponsorship program, with funding of nearly \$189,000 (up from \$127,740 in 2024) being provided to a wide and diverse range of local organisations, as listed later in this report.

Of course, being able to assist our community in this way is a major reason for our very existence, and we are very grateful for the growing number of individuals, businesses and organisations who choose to bank with Community Bank Katoomba & Upper Blue Mountains, enabling us to support our community. As I never tire of pointing out, this funding would simply not have been available without our Community Bank Katoomba & Upper Blue Mountains.

We also appreciate the loyalty of our shareholders, the great majority of whom have supported the company since its inception, when they demonstrated their commitment by investing in the concept of a Community Bank. Their loyalty has been rewarded, not only by regular dividends for the last several years, but the satisfaction of knowing that they have contributed to the betterment of our community.

I thank our Directors for their ongoing commitment and hard work. We are all volunteers, who receive no remuneration apart from the great satisfaction of knowing that we have made a significant contribution to the wellbeing and vibrancy of our community. The Board is currently engaged in a strategic planning process, to better equip us for the next stage of our development as an integral component of the Upper Blue Mountains business and social environment.

I must also express the Board's gratitude to our dedicated staff, under the leadership of Billy Brglevski, for their unstinting commitment to our shared vision. Particular mention should be made of Pat Bartle, who completed 15 years' service in January, having joined the branch only a few weeks after it opened. Our staff are the face of the business, and I very frequently receive glowing compliments from customers about the professional and friendly service they provide.

Brooke Broughton
Chairman

Manager's report

For year ending 30 June 2025

Welcome to the 2024/2025 annual report for the Community Bank Katoomba & Upper Mountains.

Now in my second year as your Branch Manager, I can say that I am so proud to be a part of your community. We have an important role to play in the local area by providing full-service banking options for everyone. Through our unique Community Banking Charter, we distribute up to 80% of our Operating Profits to local charities, not for profit operations, sporting groups, schools and community events. Each group is detailed in this report, please read through and see the impact Community Banking has for us all.

The 2024/2025 financial year has been an exciting one. Record Annual Community Grants of \$189 000 and passing the incredible milestone of \$1 000 000 in All Time Community Grants should be celebrated for the wonderful achievements that they are. This is the point of difference that community banking has, where you our customers play the most important role. Without your continued support and patronage, we couldn't achieve these milestones.

Also, this year we re-affirmed our commitment to the local area with the renovation of our branch, by providing a fresh new environment for you to do your banking and improving the working environment for our staff. Come and have a look!

I would like to thank and acknowledge our wonderful branch team Pat, Adele, Tina & Kelly for their efforts this year. They are dedicated, work hard to make a difference for our customers and the level of care and understanding that they show is second to none. It is also great to introduce and welcome Caroline, whom you will all get to know soon and will add so much to our team

We are supported by an amazing Board of Directors who it is important to recognise. They volunteer their time and expertise to ensure we remain successful and continue to support the community. All our Board members are local, genuine and determined to make a difference to the community that they serve

Thankyou to our shareholders, Bendigo Bank and most importantly you our customers for choosing to bank with us and contribute to our continued success

Health and Happiness

Billy Brglevski
Branch Manager

2024-25 Sponsorships



During the year ended 30 June 2025 financial support, totalling \$188,925, was provided to the following organisations and community projects.



Wallerawang Football Club players with beanies funded by our Bendigo Community Bank, perfect for those chilly winter days.



The Mid-Mountains Gardens Festival is a fundraiser for Hazelbrook Public School.

Blackheath Rhododendron Festival Inc. for their 2024 Festival Day

Blue Mountains Women's Health & Resource Centre for their First Nations Women's Native Food Garden

Springwood Neighbourhood Centre Cooperative Ltd for the 2024 Blue Fringe Art and Literature Festival

Blackheath Public School for their Billycart Derby

Resilient Blue Mountains Services Inc. for their inaugural Blue Mountains Sustainability Festival

Junction 142 for the purchase of chairs

Blackheath Kookaburra Kindergarten for the purchase of playground musical instruments

Blue Mountains Dog Training Club for their Obedience Trial

Blue Mountains Women's Health & Resource Centre for their Women's Mental Health Forum

Bub Hub Blue Mountains for their Halloween Disco Fundraising event

Cornerstone Community Care Inc. for their Food Solutions Katoomba project

Korowal Independent School for The Rite Journey Educational Program

Older Women's Network Blue Mountains for their Homes for Older Women project

Blackheath Scouts Group for the Australian Jamboree AJ25

Wentworth Falls Public School P&C Association for their 2024 Blue Mountains Artfest

Blue Mountains & District Cat Welfare Group Inc. or their Helping Cats' Kittens and the Environment project

Anglican Parish of Lawson for the Central Blue Mountains Christmas Lunch

Wentworth Falls Football Club to assist with ongoing operations

Blue Mountains Dragon Boat Club for the purchase of a new trailer

Rotary Club of Upper Blue Mountains Sunrise for their Rotary Youth Program

Katoomba Chamber of Commerce for the Treeline Lurline project

Leura Public School for their Library Redesign project

Leura Golf Club for annual sponsorship

Academy Singers Inc. for their 2025 Concert Series

Friends of the Blackheath Hall for their Blackheath Community Centre Celebration Concerts

Mountains Archers Inc. for the purchase of a defibrillator

Megalong Valley Community Landowner's Association for their Megalong Makers' Market

Blue Mountains District Darts Association for their Welcoming and Open House event

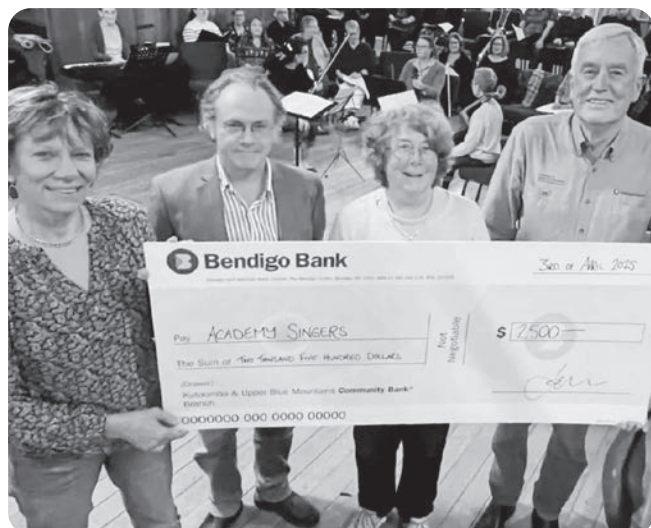
BentArt Inc. for their 2025 BentArt Exhibition

Blue Mountains Basketball Association for Coaching Course for Representative Coaches

2024-25 Sponsorships (continued)

Cancer Wellness Support for their Dry July 2025 Dollar Matching project
Bub Hub Blue Mountains for their East Egg Hunt Family Fun Event
Blue Mountains Concert Band for EPIC! – A live Concert for All Ages
Blue Mountains Rhododendron Society for their Easter Gnome Convention
Mt Victoria Community Association for their IT Upgrade Part 2
Mountain Devils Junior Rugby League Club for the purchase of uniforms and equipment
Blue Mountains Photography Group for laptop replacement
Blue Mountains District Darts Association for the purchase of uniform shirts and equipment
Farm It Forward for their A Place to Grow project
Rotary Club of Upper Blue Mountains Sunrise for their Dementia Café DCaf project
Blue Mountains Quilters Inc. for their 2025 Blue Mountain Quilters Workshop Weekend
Mountain Productions Inc. for the 2025 Blackheath Chamber Music Festival
Dragon's Abreast Blue Mountains Inc. for the purchase of travel paddles
Association of Bell Clarence Dargan Inc. for their Community Emergency Engagement Communication System
Junction 142 for the upgrade of their cottage verandah
Wallerawang Football Club for the purchase of beanies
Older Women's Network Blue Mountains for their Homes for Older Women project
Leura Village Association for the 2025 Leura Village Harvest Festival

Leura Public School P&C Association for their Under the Stars Movie Night
Resilient Blue Mountains for their Regenes Anthology 2025: Living Sustainably
Leura Gardens Festival for the 2025 Leura Gardens Festival
Blue Mountains Basketball Association for the purchase of sponsor-branded basketballs
Leura Golf Club for their Cancer Charity Golf Day
Lawson Bowling Club for their Lawn Bowls in the Upper Blue Mountains project
Blue Mountains Food Services for the 2025 Blue Mountains Sustainability Festival
Mountains Youth Services Team for their Teen Mental Health First Aid Training for Blue Mountains Students
Bub Hub Blue Mountains for their Trivia Night fundraiser
Blue Mountains Association of Cultural Heritage Organisations for the redesign of their website
Blackheath Area Neighbourhood Centre for their annual Community Christmas Day Lunch
Blackheath Area Neighbourhood Centre for their Connect & Create project
Blue Mountains Food Co-Operative for their Edible Garden Trail event
Springwood Neighbourhood Centre Cooperative Ltd for their 2025 Blue Fringe Art and Literature Festival
Junction 142 for the purchase of a new freezer
Mountain Productions Inc. for the 2026 Blackheath Chamber Music Festival.
Blue Mountains Ukulele Group Inc. for their 2026 Blue Mountains Ukulele Festival
Resilient Blue Mountains Services Inc. for their 2025 Blue Mountains Sustainability Festival



Jane Adams, Paul Terracini and Judy Hudson from Academy Singers, with Chairman Brooke Broughton.



Staff members Kelly Shaw, Pat Bartle, Tina Mellor and Branch Manager, Billy Brglevski, with Chairman Brooke Broughton and Director and Sponsorship Chairman Peter Carroll.

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 and \$416 million since 1998. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

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

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

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council report

For year ending 30 June 2025



COMMUNITY BANK
NATIONAL COUNCIL

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 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

For the financial year ended 30 June 2025

The Directors present their report, together with the financial statements, on Katoomba and Upper Blue Mountains Community Enterprise Limited for the financial year ended 30 June 2025.

Board of Directors

The following persons were Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Charles Brooke Broughton

Title:	Chairman
Qualifications:	LL.B (Auckland)
Experience & Expertise:	Retired professional association executive. Past president of the Leura Gardens Festival.

Mark John Jarvis

Title:	Treasurer
Qualifications:	B. Commerce (UNSW)
Experience & Expertise:	Manager of the Carrington Hotel. President of the Katoomba Chamber of Commerce.

Peter Newton Carroll

Title:	Non-Executive Director. Chair of Sponsorship Committee.
Qualifications:	B. Rural Science, Master of Rural Science (UNE)
Experience & Expertise:	Retired international banker. Vice president of Katoomba Chamber.

Jennifer Joy Ross OAM

Title:	Company Secretary.
Qualifications:	Dip.Teaching (Mitchell College).
Experience & Expertise:	Teacher (18 years); Convenor of "Friends of Blackheath Pool". Centrelink manager (retired)

Tanya Kathryn James

Title:	Non-Executive Director. Resigned 26 September 2024
Qualifications:	Masters in Business Leadership & Communication Management
Experience & Expertise:	Principal of Positive Change & Development, executive coach to McKinsey Academy.

Directors' report (continued)

Board of Directors (continued)

Jennifer Anne Scott AM

Title:	Non-Executive Director
Qualifications:	BA BLegs (Macq); LLM (Macq); MDR (WSU)
Experience & Expertise:	Lawyer (40 yrs); Mediator, Arbitrator, Conflict Coach. Panel member - Small Business Commission & Resolution Institute Domain.

Michael Santo Brischetto

Title:	Non-Executive Director.
Qualifications:	LREA: Liquor Licensee - Balpar Pty Ltd
Experience & Expertise:	Property industry (27 years); Co-owner Carrington Hotel, Katoomba.

Richard Wayne Terry

Title:	Non-Executive Director.
Qualifications:	B. Architecture (UTS)
Experience & Expertise:	Architecture - Interiors, Hotel, Corporate and Urban Planning (32 years); Retirement and Seniors Living Architecture (18 years); Six years as a Director.

Dr Lara Moroko

Title:	Non-Executive Director.
Qualifications:	B.Bus (Hons, UTS), M.Com, PhD (UNSW)
Experience & Expertise:	CEO, Financial service executive (15 years); Business mentor and strategist (25 years).

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

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Charles Brooke Broughton	9	9
Mark John Jarvis	9	7
Peter Newton Carroll	9	7
Jennifer Joy Ross OAM	9	4*
Tanya Kathryn James	3	1
Jennifer Anne Scott AM	9	7
Michael Santo Brischetto	9	7
Richard Wayne Terry	9	9
Dr Lara Moroko	9	8

A - The number of meetings eligible to attend.

B - The number of meetings attended.

* Leave of absence: July - October 2024

Directors' report (continued)

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Jennifer Joy Ross OAM

Qualifications: Dip.Teaching (Mitchell College).

Experience & Expertise: Teacher (18 years); Convenor of "Friends of Blackheath Pool"
Centrelink manager (retired)

Principal Activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating Results

The profit of the Company for the financial year after provision for income tax was:

	30 June 2025 (\$)	30 June 2024 (\$)	Movement
Profit After Tax	433,552	465,042	-7%

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.

Director's Interests

Director	Fully paid shares	
	Balance at 1 July 2024	Balance at 30 June 2025
Charles Brooke Broughton	3,501	3,501
Mark John Jarvis	101,703	101,703
Peter Newton Carroll	10,001	10,001
Jennifer Joy Ross OAM	501	501
Tanya Kathryn James	501	501
Jennifer Anne Scott AM	10,001	10,001
Michael Santo Brischetto	4,001	4,001
Richard Wayne Terry	-	-
Dr Lara Moroko	-	-

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	13	143,002
Total Amount	13	143,002

Directors' report (continued)

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

In the opinion of the directors there were no other 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 matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the Company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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*.

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 12 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Katoomba, NSW.



Charles Brooke Broughton
Chair

Dated this 29th day of August, 2025

Auditor's independence declaration



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Bendigo, Victoria
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admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Katoomba and Upper Blue Mountains Community Enterprise Limited.

As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in dark ink, appearing to be 'JP' or similar, written in a cursive style.

Josh Porker *Principal*

41A Breen Street
Bendigo VIC 3550

Dated: 29 August 2025

Financial statements

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

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	7	1,386,021	1,389,229
Finance income	8	52,208	36,844
		1,438,229	1,426,073
Expenses			
Employee benefits expense	9	(468,959)	(459,247)
Depreciation and amortisation	9	(29,449)	(28,738)
Agents commission		(35,415)	(29,547)
IT expenses		(29,696)	(26,946)
Insurance		(13,958)	(14,486)
Freight, cartage and delivery		(10,980)	(10,758)
Professional fees - payroll, accounting, audit and share registry		(15,549)	(13,795)
Printing and stationery		(6,827)	(7,340)
Repairs and maintenance - buildings, furniture and fittings		(3,540)	(35,016)
Cash delivery		(5,752)	(5,174)
ATM expenses		(5,422)	(6,593)
Staff training		(7,055)	(6,600)
Other expenses		(38,632)	(34,006)
		(671,234)	(678,246)
Operating profit before charitable donations and sponsorship		766,995	747,827
Charitable donations and sponsorship	9	(188,925)	(127,740)
Profit before income tax		578,070	620,087
Income tax expense	10	(144,518)	(155,045)
Profit for the year after income tax		433,552	465,042
Other comprehensive income		-	-
Total comprehensive income for the year		433,552	465,042
Profit attributable to the ordinary shareholders of the company		433,552	465,042
Total comprehensive income attributable to ordinary shareholders of the company		433,552	465,042
Earnings per share		¢	¢
- basic and diluted earnings per share	27	39.41	42.28

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position as at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	11	159,728	237,508
Trade and other receivables	12	125,250	141,246
Financial assets	13	1,270,843	926,812
Current tax asset	17	8,505	-
Other assets	14	5,256	5,516
Total current assets		1,569,582	1,311,082
Non-current assets			
Property, plant and equipment	15	821,097	836,767
Intangible assets	16	63,104	5,445
Deferred tax assets	17	3,158	6,181
Total non-current assets		887,359	848,393
Total assets		2,456,941	2,159,475
Liabilities			
Current liabilities			
Trade and other payables	18	68,263	41,177
Current tax liability	17	-	16,255
Employee benefits	19	39,865	43,780
Total current liabilities		108,128	101,212
Total liabilities		108,128	101,212
Net assets		2,348,813	2,058,263
Equity			
Issued capital	20	1,090,278	1,090,278
Retained earnings	21	1,258,535	967,985
Total equity		2,348,813	2,058,263

The accompanying notes form part of these financial statements

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		1,090,278	645,944	1,736,222
<i>Comprehensive income for the year</i>				
Profit for the year		-	465,042	465,042
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid	26	-	(143,001)	(143,001)
Balance at 30 June 2024		1,090,278	967,985	2,058,263
Balance at 1 July 2024		1,090,278	967,985	2,058,263
<i>Comprehensive income for the year</i>				
Profit for the year		-	433,552	433,552
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid	26	-	(143,002)	(143,002)
Balance at 30 June 2025		1,090,278	1,258,535	2,348,813

The accompanying notes form part of these 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		1,410,194	1,386,935
Payments to suppliers and employees		(807,280)	(774,592)
Interest received		44,032	17,787
Income tax paid		(166,255)	(181,168)
Net cash flows provided by operating activities	22b	480,691	448,962
Cash flows from investing activities			
Purchase of investments		(344,031)	(267,787)
Purchase of intangible assets		(71,438)	-
Net cash flows used in investing activities		(415,469)	(267,787)
Cash flows from financing activities			
Dividends paid		(143,002)	(143,001)
Net cash flows used in financing activities		(143,002)	(143,001)
Net increase/(decrease) in cash held		(77,780)	38,174
Cash and cash equivalents at beginning of financial year		237,508	199,334
Cash and cash equivalents at end of financial year	22a	159,728	237,508

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2025

Note 1. Corporate Information

These financial statements and notes represent those of Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company) as an individual entity. Katoomba and Upper Blue Mountains Community Enterprise Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 21st August 2025.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 24.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Bank branch in Katoomba.

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.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity 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:

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

- 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
- 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.

(b) 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Fee Income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo and Adelaide Bank entities 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 and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

(c) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Current Income 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.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

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 entity intends to settle its tax assets and liabilities on a net basis.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or 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 revenue or expense item
- when 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 statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings	Straight line	40 years

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets 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
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(j) Issued Capital

Ordinary Shares

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.

(k) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2025 that are expected to have a significant impact on the Company's financial statements.

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Notes to the financial statements (continued)

Note 4. Significant Accounting Judgements, Estimates & Assumptions (continued)

Note	Assumption
Note 17 - Recognition of deferred tax assets	"Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised"
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 19 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market 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 company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

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.

(b) 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.

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank 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 held cash and cash equivalents of \$159,728 at 30 June 2025 (2024: \$237,508). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated A- on Standard & Poor's credit ratings.

Notes to the financial statements (continued)

Note 6. 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 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:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period (after adding back Community Contributions and Accumulated Profits); and
- (b) 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 year ended 30 June 2025 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 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025 \$	2024 \$
Revenue		
- Revenue from contracts with customers	1,386,021	1,389,229
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	1,256,566	1,257,240
- Fee income	75,754	56,047
- Commission income	53,701	75,942
	1,386,021	1,389,229

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025 \$	2024 \$
Finance Income		
- Interest from term deposits	52,208	36,844
	52,208	36,844

Notes to the financial statements (continued)

Note 9. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2025 \$	2024 \$
<i>Employee Benefits Expense</i>		
- Wages & salaries	414,957	421,099
- Superannuation costs	55,607	51,513
- Other expenses related to employees	(1,605)	(13,365)
	468,959	459,247

(b) Depreciation & Amortisation Expense

	2025 \$	2024 \$
<i>Depreciation of Non-current Assets</i>		
- buildings	15,670	15,670
	15,670	15,670
<i>Amortisation of Intangible Assets</i>		
- franchise fees	13,779	13,068
	13,779	13,068
Total depreciation & amortisation expense	29,449	28,738

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Community Investments & Sponsorship

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

	Note	2025 \$	2024 \$
<i>Community Investments & Sponsorship</i>			
- Direct sponsorship and grant payments		188,925	127,740
- Contribution to the Community Enterprise Foundation™	9(d)	-	-
		188,925	127,740

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

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

(d) Community Enterprise Foundation™ (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

Notes to the financial statements (continued)

Note 9. Expenses (continued)

	Note	2025 \$	2024 \$
Disaggregation of CEF Funds			
Opening balance		131,870	126,119
Contributions paid	9(c)	-	-
Interest received		6,422	5,751
Management fees incurred		-	-
Balance available for distribution		138,292	131,870

Note 10. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2025 \$	2024 \$
Current tax expense	141,495	146,319
Deferred tax expense	3,023	8,726
	144,518	155,045

(b) Prima Facie Tax Payable

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

	2025 \$	2024 \$
Prima facie tax on profit before income tax at 25% (2024: 25%)	144,518	155,022
Add Tax Effect Of:		
- Non-deductible expenses	-	23
Income tax attributable to the entity	144,518	155,045
The applicable weighted average effective tax rate is:	25.00%	25.00%

Note 11. Cash & Cash Equivalents

	2025 \$	2024 \$
Cash at bank and on hand	159,728	237,508
	159,728	237,508

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Notes to the financial statements (continued)

Note 12. Trade & Other Receivables

	2025 \$	2024 \$
Current		
Trade receivable	98,017	122,190
Other receivable - accrued interest	27,233	19,056
	125,250	141,246

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 13. Financial Assets

	2025 \$	2024 \$
Term deposits	1,270,843	926,812
	1,270,843	926,812

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 14. Other Assets

	2025 \$	2024 \$
Prepayments	5,256	5,516
	5,256	5,516

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 15. Property, Plant & Equipment

(a) Carrying Amounts

2025 \$			2024 \$			
	At Cost	Accumulated Depreciation	Written Down Value	At Cost	Accumulated Depreciation	Written Down Value
Land	304,000	-	304,000	304,000	-	304,000
Buildings	626,785	109,688	517,097	626,785	94,018	532,767
Total	930,785	109,688	821,097	930,785	94,018	836,767

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment (continued)

(b) Movements in Carrying Amounts

	2025 \$	2024 \$
Land		
Opening carrying value	304,000	304,000
Closing carrying value	304,000	304,000

	2025 \$	2024 \$
Buildings		
Opening carrying value	532,767	548,437
Depreciation expense	(15,670)	(15,670)
Closing carrying value	517,097	532,767
Total property, plant and equipment	821,097	836,767

(c) Capital Expenditure Commitments

The entity has a capital expenditure commitment as at 30 June 2025 of \$130,000. This relates to a refurbishment of the bank branch and is due for completion by the end of August 2025. (2024: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 16. Intangible Assets

(a) Carrying Amounts

	2025			2024		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fee	71,438	8,334	63,104	65,340	59,895	5,445
	71,438	8,334	63,104	65,340	59,895	5,445

(b) Movements in Carrying Amounts

	2025 \$	2024 \$
Franchise Fee		
Opening carrying value	5,445	18,513
Additions	71,438	-
Amortisation expense	(13,779)	(13,068)
Closing carrying value	63,104	5,445

Notes to the financial statements (continued)

Note 17. Tax Assets & Liabilities

(a) Current Tax

	2025 \$	2024 \$
Income tax payable / (refundable)	(8,505)	16,255

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 \$	Recognised in P & L \$	30 June 2025 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	10,945	(979)	9,966
Total deferred tax assets	10,945	(979)	9,966
<i>Deferred Tax Liabilities</i>			
- Accrued income	(4,764)	(2,044)	(6,808)
Total deferred tax liabilities	(4,764)	(2,044)	(6,808)
Net deferred tax assets	6,181	(3,023)	3,158

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P & L \$	30 June 2024 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	14,907	(3,962)	10,945
Total deferred tax assets	14,907	(3,962)	10,945
<i>Deferred Tax Liabilities</i>			
- Accrued income	-	(4,764)	(4,764)
Total deferred tax liabilities	-	(4,764)	(4,764)
Net deferred tax assets	14,907	(8,726)	6,181

Note 18. Trade & Other Payables

	2025 \$	2024 \$
Current		
Trade creditors	28,657	538
Other creditors and accruals	39,606	40,639
	68,263	41,177

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

Note 19. Employee Benefits

	2025 \$	2024 \$
Current		
Provision for annual leave	17,071	22,006
Provision for long service leave	22,794	21,774
	39,865	43,780

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Note 20. Issued Capital

(a) Issued Capital

	2025		2024	
	Number	\$	Number	\$
Ordinary shares - fully paid	1,100,010	1,100,010	1,100,010	1,100,010
Less: equity raising costs	-	(9,732)	-	(9,732)
	1,100,010	1,090,278	1,100,010	1,090,278

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2025 \$	2024 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	1,100,010	1,100,010
At the end of the reporting period	1,100,010	1,100,010

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Note 21. Retained Earnings

	Note	2025 \$	2024 \$
Balance at the beginning of the reporting period		967,985	645,944
Profit for the year after income tax		433,552	465,042
Dividends paid	26	(143,002)	(143,001)
Balance at the end of the reporting period		1,258,535	967,985

Notes to the financial statements (continued)

Note 22. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2025 \$	2024 \$
Cash and cash equivalents	11	159,728	237,508
As per the Statement of Cash Flows		159,728	237,508

(b) Reconciliation of cash flow from operations with profit after income tax

	2025 \$	2024 \$
Profit for the year after income tax	433,552	465,042
<i>Non-cash flows in profit</i>		
- Depreciation	15,670	15,670
- Amortisation	13,779	13,068
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	15,996	(21,350)
- Decrease in prepayments and other assets	260	7,962
- Decrease in deferred tax asset	3,023	8,726
- Increase in trade and other payables	27,086	10,541
- (Decrease) in current tax liability	(24,760)	(34,849)
- (Decrease) in provisions	(3,915)	(15,848)
Net cash flows from operating activities	480,691	448,962

Note 23. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2025 \$	2024 \$
Financial Assets			
Cash and cash equivalents	11	159,728	141,246
Trade and other receivables	12	125,250	237,508
Term deposits	13	1,270,843	926,812
		1,555,821	1,305,566
Financial Liabilities			
Trade and other payables	18	68,263	41,177
		68,263	41,177

Notes to the financial statements (continued)

Note 24. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

	2025 \$	2024 \$
Short-term employee benefits	122,885	140,236
Post-employment benefits	14,132	11,693
Other long-term benefits	3,333	1,077
Total key management personnel compensation	140,350	153,006

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Balpar Pty Limited - Mark Jarvis & Michael Brischetto	Hotel Services	5,227

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Notes to the financial statements (continued)

Note 25. Auditor's Remuneration

The appointed auditor of Katoomba and Upper Blue Mountains Community Enterprise Limited for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	6,600	6,200
	6,600	6,200

Note 26. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2025		2024	
	Number	\$	Number	\$
Fully franked dividend	1,100,010	143,002	1,100,010	143,001
Dividends provided for and paid during the year	1,100,010	143,002	1,100,010	143,001

The tax rate at which dividends have been franked is 25% (2024: 25%).

Note 27. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025 \$	2024 \$
Profit attributable to ordinary shareholders	433,552	465,042
	Number	Number
Weighted average number of ordinary shares	1,100,010	1,100,010
	¢	¢
Basic and diluted earnings per share	39.41	42.28

Note 28. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 29. Commitments & Contingencies

Details about any capital commitments are detailed in Note 15(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 30. Company Details

The registered office of the Company is: 117 Katoomba Street KATOOMBA NSW 2780

The principal place of business is: 117 Katoomba Street KATOOMBA NSW 2780

Consolidated Entity Disclosure Statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Katoomba and Upper Blue Mountains Community Enterprise Limited has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A) (a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

For the year ended 30 June 2025

In accordance with a resolution of the directors of Katoomba and Upper Blue Mountains Community Enterprise Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are 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 for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 34 is true and correct.

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



Charles Brooke Broughton
Chair

Dated this 29th day of August, 2025

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATOOMBA AND UPPER BLUE MOUNTAINS COMMUNITY ENTERPRISE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Katoomba and Upper Blue Mountains Community Enterprise Limited is in accordance with the *Corporations Act 2001*, including:

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

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

RSD Audit Pty Ltd
ABN 85 619 186 908

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Other Information

Those charged with governance 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 do 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

RSD Audit

Chartered Accountants

A handwritten signature in dark ink, appearing to be 'JP' or similar, written over a light grey rectangular background.

Josh Porker

Principal

41A Breen Street
Bendigo VIC 3550

Dated: 29 August 2025

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