Annual Report 2025

Kolan/Perry Community Enterprises Limited

Community Bank
Gin Gin

ABN 21 123 507 844

INDEX

CHAIRMAN'S REPORT

Introduction

Yet another year is drawing to a close, and while the calendar may be winding down, the board has remained diligently at work behind the scenes to ensure the branch continues to run efficiently. This has been a busy period, marked by our ongoing efforts to support the many wonderful community groups and organisations throughout our region.

Community Support and Sponsorships

During the past year, we have proudly sponsored more than 18 different projects, with our contributions exceeding $114,000. It is a privilege to be in the position to aid so many groups across our vast area, which stretches from Mt Perry to Biggenden and through to Bundaberg. This year also saw us begin sponsoring the Across The Waves Soccer Club, further expanding our reach within the community.

Branch Expansion and Property Matters

Progress continues towards the opening of our new branch at 79 Mulgrave St. The process requires careful attention to detail, and we are committed to ensuring that every step is completed thoroughly. Special thanks go to Susan, who has taken on the challenge of learning about commercial building designs and applications to support this endeavour. In addition, we are currently negotiating the sale of the laundromat; rest assured, it will remain within the Gin Gin area.

Branch Operations

At present, our footings stand at 139.8 million. We have 7439 accounts, and our staff have opened 870 new accounts over the past year.

Changes to Opening Hours

To enhance staff training opportunities, we have adjusted the branch's opening hours. The doors now open at 9:30am rather than 9am, allowing staff to undertake training each morning before serving our community.

Staff and Board Appreciation

As chairman, I would like to express my sincere gratitude to both the staff and my fellow directors for their dedication and hard work, which has made my role considerably easier. A special thank you goes to Jonathan, who has stepped up over the past 12 months to take on the responsibilities of loan specialist following the unfortunate departure of Ryan. Despite our best efforts, we have not yet found a suitable replacement, and Johnathan's commitment deserves recognition.

Branch Manager's Annual Report

Overview of Financial Year 2024/25

During the 2024/25 financial year, the Gin Gin Community Bank branch experienced a slowdown in the sale of local properties. Despite this, there was an increase in the number of applications being pre-qualified, pre-approved, or approved and funded. Notably, recent decreases in lending interest rates contributed positively to this heightened activity. Approximately $4.0 million in pre-approvals were secured but these will not be funded until the 2025/26 financial year. Had these pre-approved loans been funded, lending figures would have demonstrated positive growth for the first time since my commencement as Branch Manager.

Lending Performance

For the year, the branch managed to approve and fund a total of 53 home loans, personal loans, and credit cards, amounting to $7.05 million. This represents an increase from the previous year, in which 46 approved and funded loans totalled $5.043 million. However, despite the improved funding, there were 36 discharged loans, amounting to $5.2 million. When factoring in natural amortisation and cash payouts, the overall result was a negative loan growth of $2.4 million. Although this outcome is still negative, it marks a significant improvement compared to the 2023/24 year, which saw negative loan growth of $4.3 million. The results could have been more favourable if the $4.0 million in pre-approved loans had funded within the financial year.

Staffing and Operations

One of the most pleasing aspects of the year was that the improved lending results were achieved with only two lenders on the team. Our Home Loan Specialist, Ryan Miller, resigned last September, and we have yet to find a suitable replacement. Despite this challenge, the branch continued to operate effectively and deliver strong outcomes for customers.

Deposit Fund Growth

Deposit fund growth was particularly robust, with an increase of $9.7 million over the year. This growth offset the losses experienced in lending, resulting in a strengthened financial position for the branch. At the end of the year, the branch's asset base stands at $138 million.

Customer Appreciation

I express my sincere gratitude to those customers who have remained loyal to the bank through both prosperous and challenging years. It has also been encouraging to welcome new customers during the year. Together, our longstanding and new customers form the foundation of our branch and enable the Board to continue supporting the local community.

Community and Board Support

The Board has continued to assist Not for Profit Groups, Emergency Services, Sporting Clubs, and other local projects with financial support, surpassing $2.0 million in funding this year. The ongoing support for these groups highlights our commitment to community engagement and development.

Customer Commitment and Banking Experience

We believe that once someone becomes a Gin Gin Community Bank customer, they remain part of our community. We value every individual who chooses to bank with us and entrusts us with their financial needs. As we continue to enhance our digital footprint, improve scam awareness, and refine lending processes, we remain dedicated to offering face-to-face banking services. This commitment ensures that our customers have the choice of how they wish to interact with us.

Shareholder Engagement and Referrals

Our staff are consistently motivated to deliver returns to our shareholders and we encourage all shareholders to introduce new customers to the branch, so we can continue to grow alongside the community. We welcome introductions to any community groups that shareholders may be involved in and actively encourage both existing and new customers to refer family and friends who may be dissatisfied with the Big Four banks.

Staff Recognition

A heartfelt thank you goes out to our loyal, long-serving, and dedicated staff for their ongoing commitment to assisting every customer. Without their efforts, banking at Gin Gin would be a very different experience. As mentioned earlier, we lost Ryan Miller during the year and continue our search for a suitable replacement.

Conclusion

In closing, I would like to thank the Board, my hardworking staff, and our valued customers. I look forward to the year ahead and to continuing our journey of growth and community support.

Jonathan Smith – Branch Manager

DIRECTOR'S REPORT

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2025.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Philip John Finlay
Title:	Non-executive director
Experience and expertise:	Philip is a third generation primary producer in the Gin Gin area. He has been involved with the Gin Gin Rugby League Football Club most of his life, including playing on the team and being president for four years. He is currently Vice President and also received a life membership. Philip is also an executive member of the Gin Gin Show Society where he has volunteered for many years.
Special responsibilities:	Chair

Name:	David Bruce Apel
Title:	Non-executive director
Experience and expertise:	David is a Grazier. He managed family cattle property and business for 27 years, Associate Diploma in Farm Business Management, Member of local Drought Committee, former Kolan Shire councillor and chair of the fire brigade.
Special responsibilities:	Human Resource Committee, Asset Management Committee and Marketing Committee

Name:	Paul Robert Stehbens
Title:	Non-executive director
Experience and expertise:	Paul was a trade qualified Boilermaker who has worked primarily in the Earth Moving industry up until completing his Bachelor of Teaching in 1997. His teaching career began at Rosedale state school in 1998. He was appointed as Head of Department at Gin Gin State High School in 2001 and since then has worked as Deputy Principal and now Principal within the School. He has been part of Kolan Perry Community Enterprises since its inception in 2007 and has held positions of President and Vice President of the Gin Gin Show Society as well as positions within the Gin Gin Primary School P&C Association.
Special responsibilities:	Vice Chair, Human Resource Committee and Marketing Committee

Name:	Margaret Ann Flanders
Title:	Non-executive director
Experience and expertise:	Margaret has been employed over 35 years teaching with CQ University at Bundaberg Campus. She holds a Bachelor of Commerce, Diploma of Tertiary Studies, Master of Applied Science (Res) CQU and a Graduate Certificate of Applied Statistics. She is currently a member of ESA International (Gin Gin branch member for over 25 years). She is a Member of the Institute of Managers and Leaders (MIML).
Special responsibilities:	Marketing Committee

Name:	Susan Louise Bengtson
Title:	Chief Operating Officer, Executive Director
Experience and expertise:	Susan is a Marketing/Publicity Officer. Part of the Board of Kolan/Perry Community Enterprises since the steering committee. Canegrowers Isis Limited Director.
Special responsibilities:	Treasurer, Marketing/Publicity Committee and Audit Committee

Name:	June Maree Larsen
Title:	Non-executive director
Experience and expertise:	Gin Gin Show Society member.
Special responsibilities:	Nil

Name:	Cameron Arthur Dean
Title:	Non-executive director
Experience and expertise:	Managing Director of Gin Gin & Dry, a food manufacturing business in Gin Gin, QLD. Studied at Marcus Oldham College in farm business management.
Special responsibilities:	Nil

Name:	Beryl Jean Dingle-McLennan
Title:	Non-executive director (resigned 28 November 2024)
Experience and expertise:	Beryl is a cattle grazier. Beryl's previous occupations have been involved in many different areas; Enrolled Nurse, Dental Practice Manager, Administration Supervisor of a FIFO Gold Mine in WA, Retail Manager and she is now back to her roots at home in Mount Perry working on her family's cattle property with her parents and brother. Beryl was on the steering committee for the Kolan Perry Community Bank during their two year drive prior to establishment and an inaugural director of the Bank in 2007. She is thrilled to have been asked to return to the Community Bank. Beryl was granted a leave of absence from her role as a non-executive director for five months from the 27 June 2024 board meeting.
Special responsibilities:	Nil

Company secretary
There have been two company secretaries holding the position during the financial year:

- Kirsty Louise Robertson was appointed company secretary on 23 January 2025.
- Margaret Flanders was appointed company secretary on 24 November 2010 and ceased on 23 January 2025.

Principal activity
The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations
The profit for the company after providing for income tax amounted to $69,942 (30 June 2024: $85,230).

Operations have continued to perform in line with expectations.

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

	2025 $	2024 $
Fully franked dividend of 10 cents per share (2024: 10 cents)	73,161	73,161

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

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

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

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

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

	Board		Marketing Committee	
	Eligible	Attended	Eligible	Attended
Philip John Finlay	11	11	1	1
David Bruce Apel	11	10	1	1
Paul Robert Stehbens	11	10	1	1
Margaret Ann Flanders	11	9	1	1
Susan Louise Bengtson	11	10	1	1
June Maree Larsen	11	10	1	1
Cameron Arthur Dean	11	10	1	1
Beryl Jean Dingle-McLennan	1	1	-	-

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 26 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Philip John Finlay	2,000	-	2,000
David Bruce Apel	28,000	-	28,000
Paul Robert Stehbens	5,001	-	5,001
Margaret Ann Flanders	1,000	-	1,000
Susan Louise Bengtson	5,501	(4,500)	1,001
June Maree Larsen	10,000	-	10,000
Cameron Arthur Dean	-	2,000	2,000
Beryl Jean Dingle-McLennan	1,001	-	1,001

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of directors and officers
The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 28 to the accounts.

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

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

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

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

On behalf of the directors

PJ Finlay

Philip John Finlay
Chair

28 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2025

Joshua Griffin
Lead Auditor

FINANCIAL STATEMENTS

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

	Note	2025 $	2024 $
Revenue from contracts with customers	7	1,259,377	1,320,150
Finance revenue		28,950	28,457
Laundromat income	9	58,364	68,383
Other revenue	8	91,452	83,693
Total revenue		1,438,143	1,500,683
Employee benefits expense	10	(608,609)	(661,388)
Advertising and marketing costs		(8,825)	(18,014)
Occupancy and associated costs		(61,315)	(45,601)
System costs		(26,861)	(24,107)
Depreciation and amortisation expense	10	(71,954)	(86,080)
Finance costs	10	(4,625)	(5,996)
General administration expenses		(150,507)	(155,565)
Laundromat expenses	9	(33,501)	(65,422)
Total expenses before community contributions and income tax		(966,197)	(1,062,173)
Profit before community contributions and income tax expense		471,946	438,510
Charitable donations and sponsorships expense	10	(371,800)	(320,818)
Profit before income tax expense		100,146	117,692
Income tax expense	11	(30,204)	(32,462)
Profit after income tax expense for the year		69,942	85,230
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		69,942	85,230
		Cents	**Cents**
Basic earnings per share	30	9.56	11.65
Diluted earnings per share	30	9.56	11.65

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

Statement of financial position
for the year ended 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	12	480,357	577,399
Trade and other receivables	13	122,232	128,953
Current tax assets	11	29,065	4,868
Total current assets		631,654	711,220
Non-current assets			
Investment properties	16	1,217,467	1,205,680
Property, plant and equipment	14	93,654	43,752
Right-of-use assets	15	26,178	50,244
Intangible assets	17	30,753	43,975
Deferred tax assets	11	31,257	30,526
Total non-current assets		1,399,309	1,374,177
Total assets		2,030,963	2,085,397
Liabilities			
Current liabilities			
Trade and other payables	18	55,946	61,038
Borrowings	19	5,977	8,466
Lease liabilities	20	28,687	27,739
Employee benefits	21	84,548	81,649
Lease make good provision		13,969	13,007
Total current liabilities		189,127	191,899
Non-current liabilities			
Trade and other payables	18	14,276	28,552
Borrowings	19	169	6,555
Lease liabilities	20	-	25,827
Employee benefits	21	10,495	12,449
Total non-current liabilities		24,940	73,383
Total liabilities		214,067	265,282
Net assets		1,816,896	1,820,115
Equity			
Issued capital	22	712,308	712,308
Retained earnings		1,104,588	1,107,807
Total equity		1,816,896	1,820,115

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

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		712,308	1,095,738	1,808,046
Profit after income tax expense		-	85,230	85,230
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	85,230	85,230
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(73,161)	(73,161)
Balance at 30 June 2024		712,308	1,107,807	1,820,115

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		712,308	1,107,807	1,820,115
Profit after income tax expense		-	69,942	69,942
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	69,942	69,942
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(73,161)	(73,161)
Balance at 30 June 2025		712,308	1,104,588	1,816,896

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

Statement of cash flows
for the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,555,410	1,674,723
Payments to suppliers and employees (inclusive of GST)		(1,408,166)	(1,467,640)
Interest received		30,756	18,888
Interest and other finance costs paid		(754)	(2,398)
Income taxes paid		(55,132)	(142,614)
Net cash provided by operating activities	29	122,114	80,959
Cash flows from investing activities			
Payments for investment properties		(31,652)	(7,700)
Payments for property, plant and equipment		(62,770)	(2,060)
Payments for intangible assets		(12,978)	(12,978)
Proceeds from disposal of property, plant and equipment		-	901,146
Net cash provided by/(used in) investing activities		(107,400)	878,408
Cash flows from financing activities			
Interest and other finance costs paid		(2,908)	(2,808)
Repayment of lease liabilities		(26,812)	(25,993)
Dividends paid	24	(73,161)	(73,161)
Repayment of borrowings		(8,875)	(358,624)
Net cash used in financing activities		(111,756)	(460,586)
Net increase/(decrease) in cash and cash equivalents		(97,042)	498,781
Cash and cash equivalents at the beginning of the financial year		577,399	78,618
Cash and cash equivalents at the end of the financial year	12	480,357	577,399

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

NOTES TO FINANCIAL STATEMENTS

Notes to the Financial Statements
for the year ended 30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 63 Mulgrave Street, Gin Gin QLD 4671.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective
Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2025. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Impairment of non-financial assets
At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset’s fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission
The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Impairment of non-financial assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

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

Estimates and assumptions

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

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

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in December 2027.

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

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

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

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

Note 5. Economic dependency (continued)

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

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

Note 6. Restatement of comparatives

Classification of rental income
During the year ended 30 June 2025, the company reassessed the nature of certain income and expenditure items previously presented as laundromat income and laundromat expenses. A portion of this activity related to the leasing of space to third parties and has been determined to reflect the nature of the rental arrangements more appropriately.

As a result, $120,041 of income and $37,712 of related expenses have been reclassified from laundromat income and laundromat expenses to rental income.

The comparative figures in the statement of profit or loss have been restated accordingly. There is no impact on the net profit or net assets for the comparative period.

Note 7. Revenue from contracts with customers

	2025 $	2024 $
Margin income	1,095,988	1,130,694
Fee income	86,218	102,750
Commission income	77,171	86,706
	1,259,377	1,320,150

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 8. Other revenue

	2025 **$**	**2024** **$**
Rental income	91,452	83,693

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.

Note 7. Other evenue (continued)

Revenue stream	Revenue recognition policy
Rental income	Rental income from owned investment properties is accounted for on a straight-line basis over the lease term. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.

Note 9. Laundromat income

	2025 $	2024 $
Laundromat income	58,364	68,383
Laundromat expenses	(33,501)	(65,422)
Net laundromat income	24,863	2,961

Accounting policy for laundromat income
Revenue for the self-service laundry machines is recognised once funds are deposited.

Note 10. Expenses

Employee benefits expense

	2025 $	2024 $
Wages and salaries	510,631	561,218
Non-cash benefits	14,357	8,672
Superannuation contributions	58,631	59,870
Expenses related to long service leave	6,772	3,912
Other expenses	18,218	27,716
	608,609	661,388

Depreciation and amortisation expense

	2025 $	2024 $
Depreciation of non-current assets		
Leasehold improvements	-	12,666
Plant and equipment	4,831	6,478
Motor vehicles	8,037	8,037
Investment properties	19,865	19,855
	32,733	47,036
Depreciation of right-of-use assets		
Leased land and buildings	25,999	25,822
Amortisation of intangible assets		
Franchise fee	2,203	2,204
Franchise renewal fee	11,019	11,018
	13,222	13,222
	71,954	86,080

Note 10. Expenses (continued)

Finance costs

	2025 $	2024 $
Bank loan interest paid or accrued	754	2,398
Lease interest expense	2,908	2,808
Unwinding of make-good provision	963	790
	4,625	5,996

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

Charitable donations, sponsorships and grants

	2025 $	2024 $
Direct donation, sponsorship and grant payments	71,800	20,818
Contribution to the Community Enterprise Foundation™	300,000	300,000
	371,800	320,818

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

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

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

Note 11. Income tax

	2025 $	2024 $
Income tax expense		
Current tax	30,935	40,132
Movement in deferred tax	(731)	(5,862)
Under/over adjustment	-	(1,808)
Aggregate income tax expense	30,204	32,462
Prima facie income tax reconciliation		
Profit before income tax expense	100,146	117,692
Tax at the statutory tax rate of 25%	25,037	29,423
Tax effect of:		
Non-deductible expenses	5,167	4,847
	30,204	34,270
Under/over adjustment	-	(1,808)
Income tax expense	30,204	32,462

Note 11. Income tax (continued)

	2025 $	2024 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	4,143	4,262
Employee benefits	23,761	23,525
Lease liabilities	7,172	13,392
Provision for lease make good	3,492	3,252
Accrued expenses	1,175	1,048
Income accruals	(1,941)	(2,392)
Right-of-use assets	(6,545)	(12,561)
Deferred tax asset	31,257	30,526

	2025 $	2024 $
Income tax refund due	29,065	4,868

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

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

Accounting policy for deferred tax
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Note 12. Cash and cash equivalents

	2025 $	2024 $
Cash at bank and on hand	480,357	577,399

Note 13. Trade and other receivables

	2025 $	2024 $
Trade receivables	104,880	110,074
Other receivables and accruals	300	300
Accrued income	7,763	9,569
Prepayments	9,289	9,010
	17,352	18,879
	122,232	128,953

Note 13. Trade and other receivables (continued)

	2025 $	2024 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	122,232	128,953
Less prepayments included in trade and other receivables	(9,289)	(9,010)
	112,943	119,943

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

Note 14. Property, plant and equipment

	2025 $	2024 $
Leasehold improvements - at cost	157,381	157,381
Less: Accumulated depreciation	(157,381)	(157,381)
	-	-
Plant and equipment - at cost	121,526	110,459
Less: Accumulated depreciation	(101,177)	(96,345)
	20,349	14,114
Motor vehicles - at cost	40,185	40,185
Less: Accumulated depreciation	(18,584)	(10,547)
	21,601	29,638
Capital works in progress - at cost	51,704	-
	93,654	43,752

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Capital works in progress $	Total $
Balance at 1 July 2023	12,666	18,532	37,675	-	68,873
Additions	-	2,060	-	-	2,060
Depreciation	(12,666)	(6,478)	(8,037)	-	(27,181)
Balance at 30 June 2024	-	14,114	29,638	-	43,752
Additions	-	11,066	-	51,704	62,770
Depreciation	-	(4,831)	(8,037)	-	(12,868)
Balance at 30 June 2025	-	20,349	21,601	51,704	93,654

Accounting policy for property, plant and equipment
Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 14. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	4 to 40 years
Plant and equipment	1 to 40 years
Motor vehicles	5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Right-of-use assets

	2025 $	2024 $
Land and buildings - right-of-use	194,915	192,982
Less: Accumulated depreciation	(168,737)	(142,738)
	26,178	50,244

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

	Land and buildings $
Balance at 1 July 2023	23,851
Remeasurement adjustments	52,215
Depreciation expense	(25,822)
Balance at 30 June 2024	50,244
Remeasurement adjustments	1,933
Depreciation expense	(25,999)
Balance at 30 June 2025	26,178

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

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

Refer to note 20 for more information on lease arrangements.

Note 16. Investment properties

	2025 $	2024 $
Investment property - at cost	1,275,413	1,243,761
Less: Accumulated depreciation	(57,946)	(38,081)
	1,217,467	1,205,680

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

	2025 $	2024 $
Opening amount	1,205,680	1,217,835
Additions	31,652	7,700
Depreciation expense	(19,865)	(19,855)
Closing amount	1,217,467	1,205,680

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are recognised at cost, less accumulated depreciation.

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

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Note 17. Intangible assets

	2025 $	2024 $
Franchise fee	43,370	43,370
Less: Accumulated amortisation	(38,244)	(36,041)
	5,126	7,329
Franchise renewal fee	166,852	166,852
Less: Accumulated amortisation	(141,225)	(130,206)
	25,627	36,646
	30,753	43,975

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2023	9,533	47,664	57,197
Amortisation expense	(2,204)	(11,018)	(13,222)
Balance at 30 June 2024	7,329	36,646	43,975
Amortisation expense	(2,203)	(11,019)	(13,222)
Balance at 30 June 2025	5,126	25,627	30,753

Note 17. Intangible assets (continued)

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 18. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	2,315	16,742
Other payables and accruals	53,631	44,296
	55,946	61,038
Non-current liabilities		
Other payables and accruals	14,276	28,552

	2025 $	2024 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	70,222	89,590
Less GST refundable from the ATO, included in trade and other payables	5,574	4,593
	75,796	94,183

Note 19. Borrowings

	2025 $	2024 $
Current liabilities		
Chattel mortgage	5,977	8,466
Non-current liabilities		
Bank loans	169	578
Chattel mortgage	-	5,977
	169	6,555

Note 19. Borrowings (continued)

Financing arrangements

	2025 $	2024 $
Total facilities		
Bank loan	740,169	740,578
Used at the reporting date		
Bank loan	169	578
Unused at the reporting date		
Bank loan	740,000	740,000

Bank loans
Interest is recognised at rate of 7.17% (2024: 7.60%). The loans are secured by a fixed and floating charge over the company's assets.

As at 30 June 2025, the company has access to a loan facility of $740,000 with Bendigo and Adelaide Bank Limited, which remains undrawn at balance date. The facility is available to support the company's construction of its new bank building, which is currently in planning stages.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 20. Lease liabilities

	2025 $	2024 $
Current liabilities		
Land and buildings lease liabilities	28,687	27,739
Non-current liabilities		
Land and buildings lease liabilities	-	25,827

Reconciliation of lease liabilities

	2025 $	2024 $
Opening balance	53,566	24,185
Remeasurement adjustments	1,933	55,374
Lease interest expense	2,908	2,808
Lease payments - total cash outflow	(29,720)	(28,801)
	28,687	53,566

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

Note 20. Lease liabilities (continued)

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Gin Gin Branch	7.40%	2 years	N/A	N/A	June 2026

Note 21. Employees benefits

	2025 $	2024 $
Current liabilities		
Annual leave	51,318	57,145
Long service leave	33,230	24,504
	84,548	81,649
Non-current liabilities		
Long service leave	10,495	12,449

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

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 22. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	731,609	731,609	731,609	731,609
Less: Equity raising costs	-	-	(19,301)	(19,301)
	731,609	731,609	712,308	712,308

Note 22. Issued capital (continued)

Accounting policy for issued capital
Ordinary shares are recognised at the fair value of the consideration received by the company being $1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares
Voting rights
Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends
Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer
Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest
A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 275. As at the date of this report, the company had 285 shareholders (2024: 285 shareholders).

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

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

Note 22. Issued capital (continued)

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

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

Note 23. Capital management

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

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:
- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 24. Dividends

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

	2025 $	2024 $
Fully franked dividend of 10 cents per share (2024: 10 cents)	73,161	73,161

Note 24. Dividends (continued)

Franking credits

	2025 $	2024 $
Franking account balance at the beginning of the financial year	537,982	419,755
Franking credits (debits) arising from income taxes paid (refunded)	55,132	142,614
Franking debits from the payment of franked distributions	(24,387)	(24,387)
	568,727	537,982
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	568,727	537,982
Franking credits (debits) that will arise from payment (refund) of income tax	(29,065)	(4,868)
Franking credits available for future reporting periods	539,662	533,114

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

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

Note 25. Financial risk management

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

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

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

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

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

Note 25. Financial risk management (continued)

	2025 $	2024 $
Financial assets at amortised cost		
Trade and other receivables (note 13)	112,943	119,943
Cash and cash equivalents (note 12)	480,357	577,399
	593,300	697,342
Financial liabilities		
Trade and other payables (note 18)	75,796	94,183
Lease liabilities (note 20)	28,687	53,566
Bank loans	169	578
Chattel mortgage	5,977	14,443
	110,629	162,770

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets at amortised cost

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

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and 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 $480,357 at 30 June 2025 (2024: $577,399).

Note 25. Financial risk management (continued)

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2025		2024	
	Nominal interest rate %	Balance $	Nominal interest rate %	Balance $
Bank loans	7.17%	169	7.60%	578
Net exposure to cash flow interest rate risk		169		578

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.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2025 $	2024 $
Bank loan	740,000	740,000

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

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	5,977	-	-	5,977
Bank loans	-	169	-	169
Trade and other payables	61,520	14,276	-	75,796
Lease liabilities	29,639	-	-	29,639
Total non-derivatives	97,136	14,445	-	111,581

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	8,466	5,977	-	14,443
Bank loans	-	578	-	578
Trade and other payables	61,038	28,552	-	89,590
Lease liabilities	28,659	25,827	-	54,486
Total non-derivatives	98,163	60,934	-	159,097

Note 26. Key management personnel disclosures

The following persons were directors of Kolan/Perry Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

Philip John Finlay
David Bruce Apel
Paul Robert Stehbens
Margaret Ann Flanders
Susan Louise Bengtson
June Maree Larsen
Cameron Arthur Dean
Beryl Jean Dingle-McLennan

Compensation
Key management personnel compensation comprised the following.

	2025 $	2024 $
Short-term employee benefits	55,572	51,922
Post-employment benefits	6,391	5,711
	61,963	57,633

Compensation of the company's key management personnel includes salaries, superannuation and other leave entitlements.

Employee benefits relate to remuneration of Susan Bengston who is remunerated for her role as the company's Chief Operating Officer.

Note 27. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 26.

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2025 $	2024 $
The company made sponsorships to community groups where company directors also hold roles as staff or board members	3,000	28,750
The company purchased furniture from Gin Gin State High School where company director Paul Stehbens is Principal	1,500	-

Note 28. Remuneration of auditors

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

	2025 $	2024 $
Audit services		
Audit or review of the financial statements	8,250	6,950
Other services		
Taxation advice and tax compliance services	950	1,514
General advisory services	2,905	4,520
Share registry services	6,600	4,768
	10,455	10,802
	18,705	17,752

Note 29. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 $	2024 $
Profit after income tax expense for the year	69,942	85,230
Adjustments for:		
Depreciation and amortisation	71,954	86,080
Net gain on disposal of non-current assets	-	(901,146)
Lease liabilities interest	2,908	2,808
Change in operating assets and liabilities:		
Decrease in trade and other receivables	6,721	912,110
Increase in income tax refund due	(24,197)	(4,868)
Increase in deferred tax assets	(731)	(5,862)
Decrease in trade and other payables	(6,390)	(3,298)
Decrease in provision for income tax	-	(99,422)
Increase in employee benefits	945	8,528
Increase in other provisions	962	799
Net cash provided by operating activities	122,114	80,959

Note 30. Earnings per share

	2025 $	2024 $
Profit after income tax	69,942	85,230

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	731,609	731,609
Weighted average number of ordinary shares used in calculating diluted earnings per share	731,609	731,609

Note 30. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	9.56	11.65
Diluted earnings per share	9.56	11.65

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Kolan/Perry Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 31. Commitments

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

Note 32. Contingencies

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

Note 33. Events after the reporting period

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

DIRECTOR'S DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

____

Philip John Finlay
Chair

28 August 2025

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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Independent auditor's report to the Directors of Kolan/Perry Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kolan/Perry Community Enterprises Limited (the company), which comprises:

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

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of Kolan/Perry Community Enterprises Limited, is in accordance w

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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

AUDITOR'S INDEPENDENCE DECLARATION

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2025

Joshua Griffin
Lead Auditor

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Bendigo Bank

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