Annual Report 2025

Midwest Community Enterprises Limited

Community Bank
Geraldton

ABN 90 132 512 460

Contents

Chairperson’s Report

For the year ending 30 June 2025

It is with immense pride and gratitude that I present the Chairperson’s Report for the year ending 30th June 2025—our most outstanding year in 16 years of service to the Geraldton community. This year, we reached new heights in financial performance, community engagement, and long-term sustainability.

Our profit margins exceeded all previous benchmarks, reflecting not only the trust our customers place in us, but also the dedication of our hardworking team and the strategic focus of our board. We have witnessed strong growth in lending, steady increase in deposits, and exceptional returns on community investment. These achievements are the direct result of a shared vision and community-driven leadership.

We’re proud to have distributed a record amount in grants and sponsorships this year. The company’s commitment to reinvesting profits back into Geraldton has never been stronger.

Behind the numbers is a culture of care. Our staff continue to embody the spirit of service, providing personalized banking experiences and supporting customers through life’s challenges. We’ve expanded our digital capabilities while maintaining the warm, face-to-face relationships that are the hallmark of community banking.

Looking ahead, we remain ambitious and focused. Our strategic priorities include further investment in community resilience, sustainability initiatives, and fostering financial literacy across all age groups.

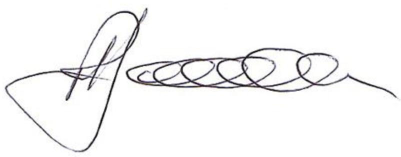
To our shareholders, customers, staff, and community partners—thank you for your unwavering support. This historic year belongs to each of you. We are not just a bank; we are a movement, and Geraldton is at its heart.

A special thank you goes to our voluntary Directors, whose dedication and leadership have been instrumental in our success, and to the amazing staff in our branch, whose commitment and hard work continue to inspire us all. We would also like to extend our heartfelt gratitude to retiring Director Gary Clark for his years of dedicated service and invaluable contributions. At the same time, we warmly welcome Katherine Allen and Alicia France as new Directors, whose fresh perspectives and expertise will undoubtedly enrich our board.

We would also like to express our deepest gratitude to our Senior Branch Manager, Jody Beven, who has been with us from the start. His continued leadership and drive have been pivotal in growing the bank and fostering its success.

As we look to the future, let us continue this journey together. With the unwavering support of our community and the dedication of our staff, we can achieve even greater milestones. Together, we can enrich the lives of those in Geraldton and the Midwest, fostering a legacy of growth, resilience, and shared prosperity.

Together, we bank on a better future.



Rob Houwen
Chairperson

Branch Manager's Report

For the year ending 30 June 2025

It is with enormous pleasure and pride that I write this report for the past year when we have again surpassed all previous benchmarks and records with an outstanding set of results.

Over the year total balances held by customers with us increased by a staggering $131.2 million (28.4%) and by June 2025 we had 13,614 accounts operated by 7,467 clients which reflect increases of 2,592 (23.5%) and 1,047 (16%) respectively on the prior year. All these growth numbers represent the highest ever across a financial year in our 16 years of operations which is a great outcome and confirms that our overall offering is resonating even more strongly with the Mid-West community.

Even with the huge increase in balances our income was impacted by the new cycle of decreasing interest rates brought on by the economic climate and reductions in the Official Cash Rate announced by the Reserve Bank of Australia over the last months of the financial year. As the financial market world expects further decreases in official rates during the coming 12 months this may impact on the Net Interest Margin on a wide range of products offered by the Bank, which may then flow on to decreasing the share of income paid to our business.

Having said that, during 2024/25 we still saw total income increase by 20.35% and the strong growth in balances has led to ongoing income in recent months being consistently above budget which heeds well for the coming year.

Thanks to the increase in income and good control of expenses, we managed to record a strong profit before tax of $402,918. This is after discretionary expenditure of $936,410 on Grants, Sponsorship, and other Marketing activities across the year. The total expense figure also includes another contribution of $600,000 to the Bank's Community Enterprise Foundation, after $700,000 in each of the two prior periods, which is a non-taxable donation which is held on our behalf for future grant funding in coming years. We now hold close to $2 million in this charitable trust to fund future community projects.

This past financial year also saw us continue in our payments to our shareholders, with another fully franked dividend of 10.0c per share, which resulted in $140,000 being distributed to our local community. We are confident we can maintain both a return to shareholders and distribution of grant funds every year from now on thanks to the solid business base that we have in place.

Other highlights for the year include: -

- Re-introduction of our Small Grant Program in June in which over 50 clubs and groups received a total of over $100,000 in funding.
- Continuation of our funding (over $200,000 in total) to several community-based organisations that provide support to different areas such as sport, the local music industry and marginalised men.
- Commissioning of our Smarty Grants Portal for management of all sponsorship and grant applications, which enables consistency and transparent reporting on where our funds are being used to benefit our community.
- Formulation of a structure for our Large Community Grant Program that we hope to formalise and rollout early in the 2026 calendar year.

As usual there have been several changes in the staffing of the branch and in the second half of the year we had to say farewell to Karen and Kerry, who both left Geraldton to move for family reasons, and then Renee went on maternity leave in June. We have welcomed Nicole, Carol and Gayle (all ex-Bankwest) in late 2024 and then Billy and Georgie in early June. We now have a team of 14 dedicated employees who make me incredibly proud of the work they do every day, both in the branch and in the community.

Branch Manager’s Report (continued)

Also, on the staffing front it is worth noting that early in the financial year Rod Piggott joined Rural Bank, which early in 2025 became Bendigo Agribusiness, and Rod now manages all our clients in the Primary Production industries. Rod works very closely with the branch team, and this is resulting in some excellent outcomes and opportunities being generated for future growth.

The Board, which continues to be led by Rob Houwen, has gone through some strategic changes in personnel but continues to provide fantastic support and direction to the staff and are always looking for any opportunity to promote our business and introduce their friends and business associates to our staff. The ongoing commitment and consistent vision of all our directors is the inspiration for our staff, and their continual review of our strategic and business planning is vital to meet the constantly changing market in which we operate.

The early signs for the 2025/26 year are that the economic and business environments in which we operate are going to remain challenging, and with interest rates expected to continue decreasing during the coming 12 months we are expecting margin income on core banking products to contract which will reduce our share of income and could negatively impact on our profitability. Despite these circumstances which are out of our control, we remain focussed on meeting the banking needs of our whole community and growing our market share across all sectors.

As always, we ask that all our shareholders continue to support us, with your banking business and by promoting our service and experience with your families, friends, and acquaintances. This support is what enables us to reward you with capital returns and dividends in the future.

It is hard to believe that we have already been operating for over 16 years, but we are now starting to see the vision come to life, with consistent returns to our shareholders and regular Community Grant Programs (Small and Large) benefitting the local community. It is testament to the hard work of so many people, and I have never been more confident about our future and look forward to sharing our continued success with you in coming years.

Jody Beven
Senior Branch Manager

Our Community Bank Team

Jody Beven
Senior Branch Manager
Commencement Date: April 2009

Kate York
Branch Manager
Commencement Date: May 2013

Carly Kay
Assistant Branch Manager
Commencement Date: August 2021

Kelly Eastough
Branch Operations Manager
Commencement Date: January 2012

Renee Desmond
Business Development Manager
(Maternity Leave June 2025)
Commencement Date: August 2017

Nicole Howden
Community Engagement Advisor
Commencement Date: October 2024

Gemma Jones
Customer Relationship Manager
Commencement Date: December 2019

Jordan Matthewman
Customer Relationship Manager
Commencement Date: October 2020

Our Community Bank Team (continued)

Gaye Masters
Customer Relationship Officer
Commencement Date: November 2022

Libby Shuttlewood
Customer Relationship Officer
Commencement Date: November 2023

Amie Johnson
Customer Service Officer
Commencement Date: July 2023

Mandy Woodman
Casual Customer Service Officer
Commencement Date: November 2023

Gayle Harris
Customer Service Officer
Commencement Date: December 2024

Carol Sirrine
Customer Service Officer
Commencement Date: December 2024

Billy Bradford
Customer Service Officer
Commencement Date: June 2025

Georgie Boys
Customer Service Officer
Commencement Date: June 2025

Payments to Shareholders

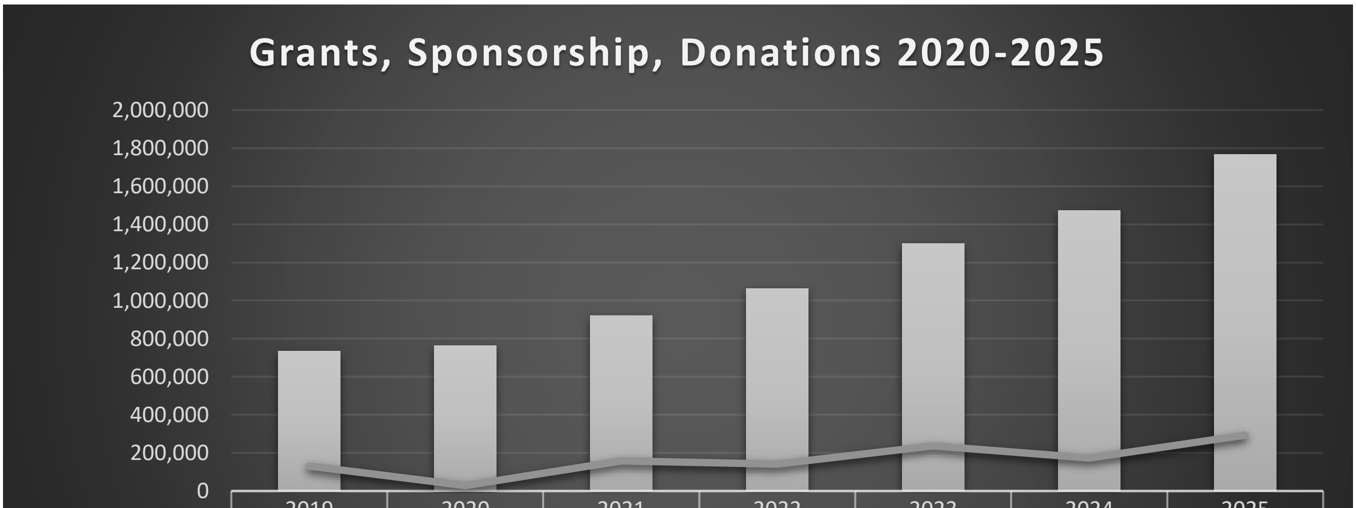
For the year ending 30 June 2025

Fully Franked Dividend Paid to Shareholders		
Financial Year	**Amount Per Share**	**Date Paid**
2024/2025	.10	29 November 2024
2023/2024	.125	1 December 2023
Return of Capital to Shareholders		
Financial Year	**Amount Per Share**	**Date Paid**
2022/2023	.10	16 November 2022
2021/2022	.10	04 November 2021
2020/2021	.10	27 November 2020
2019/2020	.10	29 November 2019
2018/2019	.10	30 November 2018
2017/2018	.10	30 November 2017
2016/2017	.05	30 November 2016

Sponsorship & Contributions Report

In the Financial Year 2024/2025, a total of $293,548 was contributed to the Mid-West community via grants, sponsorship, and donations. A further $600,000 was committed to the Community Enterprise Foundation which is a non-taxable donation which is held on our behalf for future grant funding in coming years, making a total of $2,000,000 that has been set aside over the past 3 years.

Since opening the branch in 2009, a total of $1,767,118 has been contributed to the Mid-West community, of which more than $1 million has been distributed over the past 5 years. This figure does not include the $2 million now held in reserve at the Community Enterprise Foundation mentioned above.



	2019	2020	2021	2022	2023	2024	2025
Cumulative	735,378	763,919	922,191	1,063,910	1,300,371	1,473,570	1,767,118
GSD	131,574	28,541	158,272	141,719	236,461	173,199	293,548

Community Bank Report

For the 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

Directors’ 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 financial year and up to the date of this report, unless otherwise stated:

Robert Francis Houwen
Non-executive director
Experience and expertise: Dealer Principal - Geraldton Toyota. Chair of Midwest Development Commission.
Special responsibilities: Chair & Finance Group

Wayne John Clarkson
Non-executive director
Experience and expertise: Current holder of Australian Financial Services License. Operating a general insurance broking service (broking) and Senior Associate CIP qualification.
Special responsibilities: Deputy Chair & Finance Group

Paul James Adam
Non-executive director
Experience and expertise: Bachelor of Business, CPA, Principal of accounting practice Adam Hunter Pty Ltd. Charter member of Taxation Institute of Australia.
Special responsibilities: Treasurer & Finance Group

Emma McNerney
Non-executive director
Experience and expertise: Co-founder, Director and Creative Communities Portfolio Lead at Euphorium, Community Development at Ngala. Raised over $80,000 for local community causes through volunteer events. Long term volunteer. Twice winner Australia Day Active Citizenship Award (under26). Diploma of Events. Leadership empowerment facilitator.

Katherine Anne Allen
Non-executive director (*appointed 29 October 2024*)
Experience and expertise: Current CEO of NACC NRM (NFP). Previously held positions of Director and Chair of Audit and Risk Committee of Ngala, Director and Treasurer for Geraldton Community Education Centre, and Director for Casuals-Swans Hockey Club and Geraldton Hockey Association.
Special responsibilities: Nil

Alicia Mary-Anne France
Non-executive director (*appointed 30 October 2024*)
Experience and expertise: Bachelor of Commerce with major in Accounting and Business Law and Diploma of Financial Services. 2 years employed at Financial Planning Firm and 14 years employed at an accounting firm. Current Director/Secretary and CFO of private (family) company in the building and construction industry. Member of not-for-profit karate organisation/community group. Treasurer for primary school Parents and Friends Committee
Special responsibilities: Nil

Gary Bruce Clark
Non-executive director *(resigned 29 October 20204)*
Experience and expertise: Former Manager Mission Australia, Regional Manager Dept. of Sport and Recreation (30 years), Assoc Dip Recreation, Life Member Surf Life Saving WA, Geraldton Surf Life Saving Club, Brigades Football Club and Geraldton Harriers Running Club. Founding Director and Former Owner-Manager Mid West Times Community Newspaper (Geraldton). Chairman Mid West Academy of Sport.
Special responsibilities: Marketing Group

Wayne Hosking
Non-executive director *(appointed 29 October 2024, resigned 24 June 2025)*

Company Secretary

Robyn Lynette Zadow was appointed as company secretary on 19 October 2022.

Experience and expertise: With qualifications in Business and Accounting, Robyn has been a small business owner for many years in the transport industry while involved in a range of Not For Profit enterprises. Robyn's strengths are governance and data analysis for small to medium business.

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 $301,544 (30 June 2024: $102,316).

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: 12.5 cents)	140,001	175,001

Significant changes in the state of affairs

There were no other 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 result of those operations, or the company's state of affairs in the future financial years.

Likely developments

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.

Directors' Report (continued)

Meetings of directors

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

	Board	
	Eligible	**Attended**
Robert Francis Houwen	12	12
Wayne John Clarkson	12	11
Paul James Adam	12	11
Emma McNerney	12	3
Katherine Anne Allen	9	5
Alicia Mary-Anne France	9	9
Gary Bruce Clark	4	4
Wayne Hosking	8	3

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at start of the year	Changes $	Balance at the end of the year
Robert Francis Houwen	50,001	-	50,001
Wayne John Clarkson	28,001	-	28,001
Paul James Adam	7,001	-	7,001
Emma McNerney	500	-	500
Katherine Anne Allen	-	-	-
Alicia Mary-Anne France	-	-	-
Gary Bruce Clark	7,201	-	7,201
Wayne Hosking	-	-	-

Shares under option

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

Directors’ Report (continued)

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 2024 and up to the date of this report.

Indemnity and insurance of directors and officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct 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 brough 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 23 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 director’s 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

Robert Francis Houwen, Chair
29 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 Midwest Community Enterprises Limited

As lead auditor for the audit of Midwest 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:29 August 2025

Joshua Griffin
Lead Auditor

afsbendigo.com.au

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue from contracts with customers	6	3,316,743	2,756,090
Other revenue		-	6,477
Finance income		29,241	17,578
Total Revenue		**3,345,984**	**2,780,145**
Employee benefits expense	7	(1,497,093)	(1,351,792)
Advertising and marketing costs		(42,862)	(31,809)
Occupancy and associated costs		(61,880)	(36,960)
Systems costs		(47,701)	(34,933)
Depreciation and amortisation expense	7	(111,099)	(92,093)
Finance costs		(41,350)	(9,497)
General administration expenses		(247,623)	(212,554)
Total expenses before community contributions and income tax expense		**(2,049,518)**	**(1,769,638)**
Profit before community contributions and income tax expense		**1,296,466**	**1,010,507**
Charitable donations and sponsorships expense	7	(893,548)	(873,199)
Profit before income tax expense		**402,918**	**137,308**
Income tax expense	8	(101,364)	(34,992)
Profit after income tax expense for the year		**301,554**	**102,316**
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		**301,554**	**102,316**
		Cents	**Cents**
Basic earnings per share	25	21.54	7.31
Diluted earnings per share	25	21.54	7.31

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

Statement of financial position

As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	9	642,182	402,215
Trade and other receivables	10	284,554	248,721
Current tax assets	8	-	10,372
Total current assets		**926,736**	**661,308**
Non-current assets			
Property, plant and equipment	11	225,211	248,383
Right-of-use assets	12	530,710	590,185
Intangible	13	56,684	70,307
Deferred tax asset	8	6,069	1,536
Total non-current assets		**818,674**	**910,411**
Total assets		**1,745,410**	**1,571,719**
Liabilities			
Current liabilities			
Trade and other payables	14	145,797	85,745
Borrowings		-	2,334
Lease liabilities	15	81,267	81,267
Current tax liabilities	8	45,897	-
Employee benefits	16	142,113	157,221
Total current liabilities		**415,074**	**326,567**
Non-current liabilities			
Trade and other payables	14	30,935	61,870
Lease liabilities	15	472,245	514,895
Employee benefits	16	16,000	18,784
Total non-current liabilities		**519,180**	**595,549**
Total liabilities		**934,254**	**922,116**
Net Assets		**811,156**	**649,603**
Equity			
Issued capital	17	448,396	448,396
Retained earnings/(accumulated losses)		362,760	201,207
Total equity		**811,156**	**649,603**

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		**448,396**	**273,892**	**722.288**
Profit after income tax expense		-	102,316	102,316
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	102,316	102,316
Transactions with owners in their capacity as owners:				
Capital returns	19	-	(175,001)	(175,001)
Balance at 30 June 2024		**448,396**	**201,207**	**649,603**

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		**448,396**	**201,207**	**649,603**
Profit after income tax expense		-	301,554	301,554
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	301,554	301,554
Transactions with owners in their capacity as owners:				
Capital returns	19	-	(140,001)	(140,001)
Balance at 30 June 2025		**448,396**	**362,760**	**811,156**

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)		3,613,020	3,035,625
Payments to suppliers and employees (inclusive of GST)		(3,100,530)	(2,757,651)
Interest received		28,805	7,621
Interest and other finance costs paid		-	(1,098)
Income taxes paid		(46,193)	(67,624)
Net cash provided by operating activities	**24**	**495,102**	**216,873**
Cash flows from investing activities			
Payments for property, plant and equipment	11	(14,739)	(14,395)
Payments for intangibles		(14,061)	(13,184)
Net Cash used in investing activities		**(28,800)**	**(27,579)**
Cash flows from financial activities			
Repayment of borrowings		(2,334)	(43,405)
Interest and other finance costs paid		(41,350)	(8,399)
Dividends Paid	19	(140,001)	(175,001)
Repayment of lease liabilities		(42,650)	(72,001)
Net cash used in financing activities		**(226,335)**	**(298,806)**
Net increase/(decrease) in cash and cash equivalents		239,967	(109,512)
Cash and cash equivalents at the beginning of the financial year		402,215	511,727
Cash and cash equivalent at the end of the financial year	**9**	**642,182**	**402,215**

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

Notes to the Financial Statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Midwest 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:

Registered Office	Principal Place of Business
Unit 1 31-33 Hosken Street Bluff Point WA 6530	79 Forrest Street Geraldton WA 650

A description of the nature of the company's operations and its principal activity is included in the director's 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 17 September 2024. 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
An 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.

Note 3. Significant accounting policies (continued)

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 consolidated entity 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.

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

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

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

Estimates and assumptions

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

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

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 eligible for entitlement in accordance with long service leave legislation.

Note 5. Economic dependency

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 June 2029.

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

Note 5. Economic dependency (continued)

the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.
The company promotes and sells the products and services, but is not a party to the transaction

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

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

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

Note 6. Revenue from contracts with customers

	2025 $	2024 $
Margin income	2,875,048	2,301,077
Fee income	117,165	113,176
Commission income	324,530	341,837
Revenue from contracts with customers	**3,316,743**	**2,756,090**

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

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

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfied 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.

during the financial year.

Note 6. Revenue from contracts with customers (continued)

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
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 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 7. Expenses

	2025 $	2024 $
Employee benefit expenses		
Wages and salaries	1,215,973	1,089,523
Non-cash benefits	17,857	13,127
Superannuation contributions	155,086	128,829
Expenses related to long service leave	(9,255)	16,040
Other expenses	117,432	104,273

	1,497,093	**1,351,792**

Notes to the Financial Statements (continued)

Note 7. Expenses (continued)

Depreciation and amortisation expense		
Depreciation of non-current assets		
Leasehold improvements	11,389	8,932
Plant and equipment	632	5,720
Motor vehicles	25,890	13,314
	37,911	**27,966**
Depreciation of right-of-use assets		
Leased land and buildings	59,475	50,942
	59,475	**50,942**
Amortisation of intangible assets		
Franchise fee	2,271	2,198
Franchise renewal process fee	11,352	10,987
	13,623	**13,185**
	111,009	**92,093**

Charitable donations, sponsorship and grant payments		
Direct donation, sponsorship and grant payments	293,548	173,199
Contribution to the Community Enterprise Foundation ™	600,000	700,000
	893,548	**873,199**

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

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

Note 8. Income tax

	2025 $	2024 $
Income tax expense		
- Current tax	105,897	35,844
- Movement in deferred tax	(4,533)	(892)
Aggregate income tax expense	**101,364**	**34,992**
Prima facie income tax reconciliation		
Profit before income tax expense	402,918	137,308
Tax at the statutory rate of 25%	**100,730**	**34,327**
Tax effect of:		
- Non-deductible expenses	634	665
- Other deductibles		
Income tax expense	**101,364**	**34,992**

	2025 $	2024 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(36,562)	(41,470)
Employee benefits	39,528	44,001
Lease liabilities	138,378	149,041
Accrued expenses	(2,597)	(2,490)
Right-of-use assets	(132,678)	(147,546)
Deferred tax asset	**6,069**	**1,536**

	2025 $	2024 $
Income tax refund due		10,372
Provision for income tax	45,897	

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

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

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

Note 9. Cash and cash equivalents

	2025 $	2024 $
Cash on hand	250	250
Cash at bank and on hand	641,932	401,965
	642,182	**402,215**

Note 10. Trade and other receivables

	2025 $	2024 $
Trade receivables	264,205	221,649
Other receivables and accruals	2,501	8,334
Accrued income	10,393	9,957
Prepayments	7,455	8,781
	20,349	27,072
	284,554	**248,721**

Note 11. Property, plant and equipment

	2025 $	2024 $
Leasehold improvements – at cost	288,680	288,680
Less: Accumulated depreciation	(182,100)	(170,711)
	106,580	**117,969**
Plant and equipment – at cost	138,331	119,558
Less: Accumulated depreciation	(88,969)	(84,303)
	49,362	**35,255**
Motor Vehicles – at cost	153,118	153,118
Less: Accumulated depreciation	(83,849)	(57,959)
	69,269	**95,159**
	225,211	**248,383**

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

Note 11. Property, plant and equipment (continued)

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 30 June 2023	126,901	26,580	108,473	261,954
Additions	-	14,395	-	14,395
Depreciation	(8,932)	(5,720)	(13,314)	(27,996)
Balance at 30 June 2024	117,969	35,255	95,159	248,383
Additions	-	14,739	-	14,739
Depreciation	(11,389)	(632)	(25,890)	(37,911)
Balance at 30 June 2025	**106,580**	**49,362**	**69,269**	**225,211**

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

Depreciation is calculated on a 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
Motors vehicles	8 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 12. Right-of-use assets

	2025 $	2024 $
Land and buildings – right-of-use	837,534	837,534
Less: Accumulated depreciation	(306,824)	(247,349)
	530,710	**590,185**

Note 12. Right-of-use assets (continued)

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

	Land and buildings $
Balance at 30 June 2023	44,883
Remeasurement adjustments	596,244
Depreciation expense	(50,942)
Balance at 30 June 2024	590,185
Depreciation expense	(59,475)
Balance at 30 June 2025	**530,710**

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 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025 $	2024 $
Franchise fee	44,158	44,158
Less: Accumulated amortisation	(34,711)	(32,440)
	9,447	**11,718**
Franchise renewal fee	174,819	174,819
Less: Accumulated amortisation	(127,582)	(116,230)
	47,237	**58,589**
	56,684	**70,307**

Reconciliations of the written down 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 30 June 2023	2,198	10,987	13,185
Additions	11,718	58,589	70,307
Amortisation expense	(2,198)	(10,987)	(13,185)
Balance at 30 June 2024	11,718	58,589	70,307
Amortisation expense	(2,271)	(11,352)	(13,623)

Balance at 30 June 2025	**9,447**	**47,237**	**56,684**

Notes to the Financial Statements (continued)

Note 13. 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)	June 2029
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)	June 2029

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

Note 14. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	76,115	51,633
Other payables	69,682	34,112
	145,797	**85,745**
Non-current liabilities		
Other payables and accruals	**30,935**	**61,870**
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payable	176,732	147,615
less other payables and accruals (net GST receivable from the ATO)	(1,191)	9,867
	175,541	**157,482**

Note 15. Lease liabilities

	2025 $	2024 $
Current liabilities		
Land and buildings lease liabilities	81,267	81,267
Non-current liabilities		
Land and buildings lease liabilities	472,245	514,895
Reconciliation of lease liabilities		
Opening balance	596,162	72,187

Remeasurement adjustments	-	595,976
Lease interest expense	41,350	8,399
Lease payments – total cash outflow	(84,000)	(80,400)
	553,512	**596,162**

Notes to the Financial Statements (continued)

Note 15. Lease liabilities (continued)

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

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

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

The company's lease portfolio includes:

Lease	Discount Rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Geraldton Branch	7.5%	5 years	1 x 5 years	Yes	May 2034

Note 16. Employee benefits

	2025 $	2024 $
Current liabilities		
Annual leave	60,540	69,177
Long service leave	81,573	88,044
	142,113	**157,221**
Non-current liabilities		
Long service leave	**16,000**	**18,784**

Accounting policy for employee benefits
Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expected 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 17. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Issued Capital				
Fully paid ordinary shares				
Ordinary Shares – fully paid	1,400,009	1,400,009	1,400,009	1,400,009
Less: Equity Raising Costs			(41,607)	(41,607)
Less: Return of capital	-	-	(910,006)	(910,006)
	1,400,009	**1,400,009**	**448,396**	**448,396**

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.

Note 17. Issued capital (continued)

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 217. As at the date of this report, the company had 243 shareholders (2023: 242 shareholders).

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

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

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

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

Note 18. 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 19. 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: 12.5 cents	140,001	175,001

Franking credits	2025 $	2024 $
Franking account balance at the beginning of the financial year	27,162	17,872
Franking credits (debits) arising from income taxes paid (refunded)	46,193	67,624
Franking debits from the payment of franked distributions) -	(46,667)	(58,334)
	26,688	27,162
Franking transactions that will arise subsequent to the financial year end		
Franking account balance at the beginning of the financial year	26,688	27,162
Franking credits (debits) arising from income taxes paid (refunded)	45,897	1,192
Franking debits from the payment of franked distributions) -	72,585	28,354

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%.

Note 20. Financial Risk Management

Financial risk management objectives

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

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

The directors have identified that the only significant financial risk exposures of the consolidated entity 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 BBB+ on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company’s interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has no borrowings that are subject to variable interest rates.

Note 20. Financial Risk Management (continued)

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

	2025 $	2024 $
Financial Assets		
Trade and other receivables (note 10)	277,099	239,940
Cash and cash equivalents (note 9)	642,182	402,215
	919,281	**642,155**

Financial liabilities		
Trade and other payables (note 14)	175,541	157,482
Lease liabilities (note 15)	553,512	596,162
Chattel mortgage	-	2,344
	729,053	**755,978**

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

Accounting policy for financial instruments

Financial assets
Classification
The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

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 then 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. 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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $642,182 at 30 June 2025 (2024: $402,215).

Note 20. Financial Risk Management (continued)

The company's borrowings are not subject to market risk as the interest rate is fixed at the inception of the borrowing, for the entire term of the borrowing.

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

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

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	144,606	30,935	-	175,541
Lease liabilities	84,000	336,000	329,000	749,000
Total non-derivatives	**228,606**	**366,935**	**329,000**	**924,541**

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	2,334			2,334
Trade and other payables	85,745	61,870	-	147,615
Lease liabilities	81,267	336,000	415,733	833,000
Total non-derivatives	**169,346**	**397,870**	**415,733**	**982,949**

Note 21. Key management personnel disclosures

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

Robert Francis Houwen
Wayne John Clarkson
Paul James Adam
Emma McNerney
Katherine Anne Allen
Alicia Mary-Anne France
Gary Bruce Clark
Wayne Hosking

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

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

Note 22. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

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.

Note 22. Related party transactions (continued)

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

	2025 $	2024 $
Paul James Adam has provided the company with secretarial and bookkeeping services. The total benefit received was:	9,126	7,104
Wayne Clarkson has been provided the company with insurance policy services. The total benefit received was:	577	1,404
RL. Mitoke Pty Ltd, of which Robert Francis Houwen is a director, is The landlord of the branch premises at 79 Forest Street. The total Benefit received was:	84,000	80,400

Note 23. 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	6,950	6,840
Other services		
Taxation advice and tax compliance services	-	450
General advisory services	4,548	3,070
Share registry services	6,111	4,487
	10,659	**8,007**
	17,609	**14,847**

Note 24. Reconciliation or profit after income tax to net cash provided by operating activities

	2025 $	2024 $
Profit after income tax expense for the year	301,554	102,316
Adjustments for:		
Depreciation and amortisation	111,009	92,093
Lease liabilities interest	41,350	8,399
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(35,833)	(12,506)
Increase in income tax refund due	10,372)	(10,372)
Decrease in deferred tax assets	(4,533)	(892)
Increase/(decrease) in trade and other payables	43,178	42,369
Increase in provision for income tax	45,897	(29,364)
Increase in employee benefits	(17,892)	24,832
Decrease in other provisions	-	(2)
Net cash provided by operating activities	**495,102**	**233,671**

Note 25. Earnings per share

	2025 $	2024 $
Profit after income tax	301,554	102,316

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,400,009	1,400,009
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,400,009	1,400,009

	Cents	Cents
Basic earnings per share	21.54	7.31
Diluted earnings per share	21.54	7.31

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

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

Directors' Declaration

In the directors' opinion:

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

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

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

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

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

Robert Francis Houwen
Chair

29 August 2025

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

Report on the audit of the financial report

Our opinion

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

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

What we have audited

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

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

Basis for opinion

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

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 August 2025

Joshua Griffin
Lead Auditor

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Bendigo Bank

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