



Annual Report 2025

North Burnett Community Enterprises Ltd.

ABN 33 120 578 565

Community Bank
Mundubbera



GRAND TOTAL

as of

9th September 2025

\$1,389,001.01

CHAIRS REPORT TO SHAREHOLDERS.

Welcome to all Shareholders, Fellow Board Members, Branch Manager Rob and Staff, and Guests.

And Thank You for your attendance, for the presentation of the Annual Report of our Company, and to hear of the achievements during the past year, and to celebrate another year of providing banking services to the North Burnett and Dawson Valley Communities, and the associated community support provided.

To begin, the Company has continued to provide banking services under the Franchise Agreement with Bendigo and Adelaide Bank, and as a consequence of the success of that arrangement has been able to continue with its financial support for community groups across our region of operation. Our operations for the past financial year have resulted in (after provision for income tax) a profit of \$58,172.00, a slight decrease on the previous year's result of a \$60,934.00 profit.

I would comment that this reduction is due in part to several factors, including some reductions in our profit share arrangements with Bendigo, and in part to the expenditure on the expansion of our Mundubbera premises, with the leasing of additional areas from the Whelan Family. This expansion has firstly enabled our staff to finally have some expanded workspace, including our manager now having a more private area within which to conduct his business. Additionally, we now have a fit for purpose meeting room, available to the wider community groups, with all up-to-date connectivity to enable all online meetings to be conducted in some comfort and privacy. And whilst it may be a fairly small matter to report on, the purchase by our Company of a full StarLink connectivity pack to support the Meeting Room usage, and our ability to allow community groups to use free of charge at Race Meetings, Shows and the like has been a great advance. I would also add at this point that the efforts of our Manager Rob and staff should be noted, in relation to the financial position, because our small drop in return cannot be attributed to any drop in our business, which continues to grow each year, with our business footings now at record levels.

Our community support now has grown to well in excess of \$1,300,000.00 in sponsorship, donations and capital grants made, since we commenced operations in 2006, with this figure not including the community contributions given by our Staff and Board Members in hands-on support, at community events such as shows, sporting events and the like. We seem to have developed a Board membership well-schooled in bar work, and function support, at all sorts of events across our footprint.

As mentioned in last year's Annual Report, the banking industry continues to evolve at a rapid pace, and a note to mention is that our Company entered into long discussions with Bendigo regarding our ongoing Franchise agreements, as did all Community Banks such as ours across Australia. Changes are in the wind on a number of fronts, and next year will bring some changes in our operations and relationship with Bendigo.

Our Board has many people to thank for the success of its operations in the past year; Certainly, our Manager Rob and Staff and our Agent Christie and her staff in Taroom are at the forefront of our minds.

There is no doubt in the mind of this Board that the need for face-to-face banking will continue, as it is simply needed, and we thank all our staff who provide this on a daily basis.

Thank you to our Company Secretary Rhys for all your work, is greatly appreciated, and thanks also to Leo Brunier who fills a finance roll with the Board, as he does with a number of other community banks – his insight, advice and thoughts likewise are greatly appreciated.

To the Whelan Family, a special thank you for your support in making the expansion of our Mundubbera Branch happen – also thank you to Ken Mills Toyota for your ongoing support.

To our Shareholders, and to all who conduct their banking affairs with us, without you this would not happen – Our ability to continue to grow our Branch, to employ staff, to support our communities with our various donations and sponsorships simply would not happen without your support. Please continue to give it. And if possible, please continue to encourage others to come on the journey.

To fellow Board Members, again a sincere thank you for all you do, for all the time you give up, and are happy to continue to give up, to ensure that our communities continue to have banking facilities. Thank you for all the community functions and events you attend endlessly, not only to support our Brand, but also our community groups.

Looking to the coming year, the Board has no proposals for any major changes in the operations – we shall await the direction that Bendigo set in the coming year as to how we adjust and deal with.

Thank you.

A handwritten signature in blue ink, appearing to read 'John Zahl', with a large, stylized initial 'J'.

John Zahl
Board Chair.

Manager's Report

Navigating Change, Delivering Value


This year, our Community Bank has continued to perform solidly in the face of a dynamic and sometimes challenging environment. While ongoing amortisation has made continued growth more demanding, we are pleased to report strong growth in both footings and customer numbers — a reflection of the community's trust in our service and stability.

We are operating in a period of shifting markets, evolving customer needs, and technological change. In response, we remain both diverse and adaptable in our product and service offerings. Our commitment to flexibility enables us to meet our customers where they are — offering traditional face-to-face service, including on-farm consultations, while also evolving with digital trends.

Our people remain our greatest strength. Across the board, our team continues to deliver high-quality customer service, underpinned by professionalism, care, and local knowledge. Staff development remains a strong focus, particularly in the areas of risk and compliance, ensuring that we maintain our high standards as we grow.

Looking ahead, we see real opportunity in emerging and changing markets. We remain confident in our ability to not only respond to market trends but also to lead in areas where personalised service makes the greatest difference — swimming against the tide where it matters most to our community.

Rob Watt

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke, representing the name Rob Watt.

Branch Manager
Community Bank Mundubbera

North Burnett Community Enterprises Limited

Directors' report

30 June 2025

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

Directors

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

Name:	Barry "John" Zahl
Title:	Non-executive director
Experience and expertise:	John was born and educated in Gayndah. He was employed in Queensland Justice Department, qualified as a Solicitor in Queensland in 1982 and interned at a private practice, on retirement from law he was Director/Manager of Gayndah Fruit growers Co-operative. He has served as Councillor with North Burnett Regional Council, honorary auditor to several not-for-profit organisations. Board Member of Life Flight Wide Bay. John is married to Lynda and father of four sons.
Special responsibilities:	Board Chairman, Human Resources Committee, Finance Committee
Name:	Louise Katherine Walker
Title:	Non-executive director
Experience and expertise:	A Mundubbera girl, Louise is an Agronomist, she studied Environmental Management at University of Queensland graduating with Honours in 2006. She returned to Mundubbera to work full-time in the agriculture and environment industry with the Burnett Catchment Care Association. She currently resides in Toowoomba working in agriculture research with the Queensland Government. She has been a volunteer with the Mundubbera SES and involved with many community events including the Mundubbera Centenary in 2012, Mundubbera Show and the Uniting Church Mundubbera Country Markets.
Special responsibilities:	Public Relations Committee
Name:	Brianna Kate Hockey
Title:	Non-executive director
Experience and expertise:	Brianna has returned to her hometown of Monto to establish a legal practice where she works as a Solicitor, servicing Monto and the North Burnett Region. Brianna has experience in a wide variety of legal matters with a particular interest and skillset in agribusiness. As an active community member, she is particularly passionate about agricultural shows and building the resilience of rural communities. In April 2023 Brianna was appointed as an Emerging Leader Director of Agricultural Shows of Australia.
Special responsibilities:	Public Relations Committee
Name:	Alexandra Winter O'Neill
Title:	Non-executive director
Experience and expertise:	Alex grew up in Brisbane and qualified as a Solicitor in 1976, and later ran a legal practise in Mundubbera. Alex has held many roles in Community organisations and has always valued the community spirit that exists in the Mundubbera district. A former AgForce Councillor, with an interest in landcare, tourism and community development, she serves on the Board of North Burnett Community Service and Leichhardt Lodge. She and her husband James run a beef cattle business in the Hawkwood district. Alex was appointed to the Board on 28th March 2011 and served as Secretary to the board between July 2011 and May 2021.
Special responsibilities:	Nil

North Burnett Community Enterprises Limited

Directors' report

30 June 2025

Name: Letitia Maree Berthelsen
Title: Non-executive director
Experience and expertise: Letitia has resided in Mundubbera since 1991. She is married to Mark and has three sons. Letitia is employed by North Burnett Regional Council in the Asset Department. Letitia and her husband have owned and operated a commercial and stud cattle grazing enterprise since 1991. Letitia holds a Certificate III in Children Services, Business & Administration, along with Financial Services. She was employed by the community bank for 9.5 years and is involved in a number of community organisations.
Special responsibilities: Finance Committee

Name: Jane Louise Carroll
Title: Non-executive director
Experience and expertise: Jane has completed a Bachelor of Arts (Behavioural Science) and postgraduate qualifications in education and she holds a Masters of Education from the University of Queensland. She has worked in education for more than 30 years and her current role is as a Senior Guidance Officer for the Department of Education in the North Burnett Region. She lives on a property at Eidsvold running a commercial beef enterprise in partnership with her husband, Richard. Jane is involved in the Eidsvold community through her membership of and voluntary work with a range of community based groups.
Special responsibilities: Human Resources Committee

Name: Melissa Hopkins
Title: Non-executive director
Experience and expertise: Melissa is self employed and runs a cattle operation along with her husband on Yeovil Rd Wandoan. Before this time, she worked in banking for a number of years. She has been an active volunteer with the Taroom community since moving to the district over 20 years ago. Melissa has held roles on the local P & F while her children attended school. She has also volunteered with the local netball clubs and coached and refereed young netball regional players. Melissa has held position son the ICPA Taroom-Wandoan branch and attended several conferences across the nation. She has held the role of treasurer for the Taroom Show society and the local Dawson Jockey Club Committee. Melissa has held the position of President for the Taroom District Development Association.
Special responsibilities: Nil.

Company Secretary

The company secretary is Rhys Smith. Rhys was appointed to the position of company secretary on 13 July 2021.

Experience and expertise: Born in Brisbane, after High School Rhys moved around working in Customer Service and Sales. His occupation saw him living and working in Brisbane, Bundaberg, Mackay and Lae in Papua New Guinea. Rhys currently works part time in the Eidsvold Doctors Surgery, the Mundubbera Community Bank and Etax Accountants doing online tax returns. Rhys moved to Eidsvold in 2016 and commenced studying a degree online through the University of South Australia. Rhys holds a Bachelor Degree in Accounting and is currently the Treasurer of the Lions Club of Eidsvold.

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 \$58,172 (2024: \$60,934)

Operations have continued to perform in line with expectations.

North Burnett Community Enterprises Limited

Directors' report

30 June 2025

Dividends

During the financial year, the following dividends were paid or declared by the company:

- An unfranked dividend of \$30,170 was paid in respect of the year ended 30 June 2024. This dividend was not provided for in the prior year financial statements.
- An unfranked dividend of \$24,136 was declared and provided for in respect of the year ended 30 June 2025.

No dividends have been declared or paid since the end of the financial year.

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

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 Eligible	Attended
Barry "John" Zahl	11	11
Louise Katherine Walker	11	10
Brianna Kate Hockey	11	8
Alexandra Winter O'Neill	11	11
Letitia Maree Berthelsen	11	7
Jane Louise Carroll	11	8
Melissa Hopkins	11	9

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

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
Barry "John" Zahl	-	-	-
Louise Katherine Walker	1,000	-	1,000
Brianna Kate Hockey	-	-	-
Alexandra Winter O'Neill	50,000	-	50,000
Letitia Maree Berthelsen	500	-	500
Jane Louise Carroll	-	-	-
Melissa Hopkins	-	-	-

North Burnett Community Enterprises Limited

Directors' report

30 June 2025

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 24 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.

North Burnett Community Enterprises Limited
Directors' report
30 June 2025

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

A handwritten signature in black ink, appearing to read 'Donn Zahl', written over a horizontal line.

Barry "Donn" Zahl
Chairman

27 August 2025



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 North Burnett Community Enterprises Limited

As lead auditor for the audit of North Burnett 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 27 August 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

North Burnett Community Enterprises Limited
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	1,010,673	1,049,174
Finance revenue		<u>3,200</u>	<u>3,289</u>
Total revenue		<u>1,013,873</u>	<u>1,052,463</u>
Employee benefits expense	8	(508,119)	(482,186)
Advertising and marketing costs		(5,995)	(8,665)
Occupancy and associated costs		(13,520)	(15,398)
System costs		(21,682)	(25,031)
Depreciation and amortisation expense	8	(58,669)	(50,792)
Finance costs	8	(37,391)	(14,194)
General administration expenses		<u>(217,445)</u>	<u>(196,367)</u>
Total expenses before community contributions and income tax expense		<u>(862,821)</u>	<u>(792,633)</u>
Profit before community contributions and income tax expense		151,052	259,830
Charitable donations, sponsorships and grants expense	8	<u>(73,458)</u>	<u>(180,510)</u>
Profit before income tax expense		77,594	79,320
Income tax expense	9	<u>(19,422)</u>	<u>(18,386)</u>
Profit after income tax expense for the year		58,172	60,934
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>58,172</u></u>	<u><u>60,934</u></u>
		Cents	Cents
Basic earnings per share	26	9.64	10.10
Diluted earnings per share	26	9.64	10.10

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

North Burnett Community Enterprises Limited
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	44,380	36,914
Trade and other receivables	11	10,807	53,478
Investments	12	111,704	27,129
Total current assets		<u>166,891</u>	<u>117,521</u>
Non-current assets			
Property, plant and equipment	13	133,383	121,395
Right-of-use assets	14	483,599	496,518
Intangible assets	15	18,461	31,492
Deferred tax assets	9	62,771	82,193
Total non-current assets		<u>698,214</u>	<u>731,598</u>
Total assets		<u>865,105</u>	<u>849,119</u>
Liabilities			
Current liabilities			
Trade and other payables	16	23,722	26,841
Lease liabilities	17	48,687	47,546
Total current liabilities		<u>72,409</u>	<u>74,387</u>
Non-current liabilities			
Trade and other payables	16	-	15,181
Lease liabilities	17	469,167	470,435
Provisions		5,407	5,030
Total non-current liabilities		<u>474,574</u>	<u>490,646</u>
Total liabilities		<u>546,983</u>	<u>565,033</u>
Net assets		<u>318,122</u>	<u>284,086</u>
Equity			
Issued capital	18	572,563	572,563
Accumulated losses		<u>(254,441)</u>	<u>(288,477)</u>
Total equity		<u>318,122</u>	<u>284,086</u>

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

North Burnett Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2025

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		572,563	(350,197)	222,366
Profit after income tax expense		-	60,934	60,934
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	60,934	60,934
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	786	786
Balance at 30 June 2024		572,563	(288,477)	284,086
Balance at 1 July 2024		572,563	(288,477)	284,086
Profit after income tax expense		-	58,172	58,172
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	58,172	58,172
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(24,136)	(24,136)
Balance at 30 June 2025		572,563	(254,441)	318,122

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

North Burnett Community Enterprises Limited
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)		1,134,616	1,181,784
Payments to suppliers and employees (inclusive of GST)		(937,694)	(1,029,467)
Interest received		3,198	2,129
Interest and other finance costs paid		<u>-</u>	<u>(1)</u>
Net cash provided by operating activities	25	<u>200,120</u>	<u>154,445</u>
Cash flows from investing activities			
Redemption of/(payments for) investments		(84,575)	(27,129)
Payments for property, plant and equipment		(20,702)	(60,927)
Payments for intangible assets		<u>(13,801)</u>	<u>(13,801)</u>
Net cash used in investing activities		<u>(119,078)</u>	<u>(101,857)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(37,013)	(13,786)
Dividends paid	20	(24,136)	(30,170)
Repayment of lease liabilities		<u>(12,427)</u>	<u>(18,430)</u>
Net cash used in financing activities		<u>(73,576)</u>	<u>(62,386)</u>
Net increase/(decrease) in cash and cash equivalents		7,466	(9,798)
Cash and cash equivalents at the beginning of the financial year		<u>36,914</u>	<u>46,712</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>44,380</u></u>	<u><u>36,914</u></u>

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

North Burnett Community Enterprises Limited

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover North Burnett 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 54 Lyons Street, Mundubbera QLD 4626.

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 27 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.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 3. Material accounting policy information (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

North Burnett Community Enterprises Limited

Notes to the financial statements

30 June 2025

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

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 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.

North Burnett Community Enterprises Limited

Notes to the financial statements

30 June 2025

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 November 2026.

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

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

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

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

- 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. Change to comparative figures

Reclassification of investment account

During the year, the directors reviewed the classification of financial assets under AASB 107 *Statement of Cash Flows* and AASB 9 *Financial Instruments*. The Sandhurst Select 90 Fund, previously classified as cash and cash equivalents, has been reclassified as a current investment measurement at fair value through profit or loss. This reflects its withdrawal restrictions, unitised structure, and exposure to fair value changes.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$27,129 at 30 June 2024.
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 7. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	746,223	755,351
Fee income	52,859	55,118
Commission income	<u>211,591</u>	<u>238,705</u>
	<u>1,010,673</u>	<u>1,049,174</u>

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:

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

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

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

Margin income
 Margin 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.

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 7. Revenue from contracts with customers (continued)

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. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	410,184	391,679
Superannuation contributions	50,339	45,721
Expenses related to long service leave	3,691	(708)
Other expenses	<u>43,905</u>	<u>45,494</u>
	<u><u>508,119</u></u>	<u><u>482,186</u></u>

Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	16,926	12,388
Plant and equipment	<u>3,493</u>	<u>4,224</u>
	<u>20,419</u>	<u>16,612</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>25,219</u>	<u>21,150</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,172	2,171
Franchise renewal process fee	<u>10,859</u>	<u>10,859</u>
	<u>13,031</u>	<u>13,030</u>
	<u><u>58,669</u></u>	<u><u>50,792</u></u>

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 8. Expenses (continued)

Finance costs

	2025	2024
	\$	\$
Lease interest expense	37,013	13,786
Unwinding of make-good provision	<u>377</u>	<u>407</u>
	<u><u>37,390</u></u>	<u><u>14,193</u></u>

Leases recognition exemption

	2025	2024
	\$	\$
Expenses relating to low-value leases	8,562	9,654
Expenses relating to short-term leases	<u>12,000</u>	<u>12,000</u>
	<u><u>20,562</u></u>	<u><u>21,654</u></u>

The company pays for the right to use a motor vehicle. The lease agreement continues on existing terms on a month-by-month basis with no significant penalty for termination. As such the lease has been assessed as short term and exempted from recognition under AASB 16 accounting. Expenses relating to short term exempt leases are included in general administration.

Charitable donations, sponsorships and grants expense

	2025	2024
	\$	\$
Direct donation, sponsorship and grant payments	<u><u>73,458</u></u>	<u><u>180,510</u></u>

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).

Note 9. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Movement in deferred tax	(1,331)	814
Recoupment of prior year tax losses	20,753	19,016
Under/over provision in respect to prior years	<u>-</u>	<u>(1,444)</u>
Aggregate income tax expense	<u><u>19,422</u></u>	<u><u>18,386</u></u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>77,594</u>	<u>79,320</u>
Tax at the statutory tax rate of 25%	19,399	19,830
Tax effect of:		
Non-deductible expenses	23	-
Under/over provision in respect to prior years	<u>-</u>	<u>(1,444)</u>
Income tax expense	<u><u>19,422</u></u>	<u><u>18,386</u></u>

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 9. Income tax (continued)

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	59,754	80,507
Property, plant and equipment	(7,783)	(5,697)
Lease liabilities	129,464	129,495
Provision for lease make good	1,352	1,257
Accrued expenses	1,175	1,050
Income accruals	(291)	(290)
Right-of-use assets	(120,900)	(124,129)
	<u>62,771</u>	<u>82,193</u>
Deferred tax asset	<u>62,771</u>	<u>82,193</u>

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 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 10. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	44,380	36,914
	<u>44,380</u>	<u>36,914</u>

Note 11. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	5,074	47,506
Accrued income	1,162	1,160
Prepayments	4,571	4,812
	<u>5,733</u>	<u>5,972</u>
	<u>10,807</u>	<u>53,478</u>

Accounting policy for trade and other receivables

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

Note 12. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Investment account	111,704	27,129
	<u>111,704</u>	<u>27,129</u>

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 13. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	184,825	235,537
Less: Accumulated depreciation	<u>(83,176)</u>	<u>(127,536)</u>
	<u>101,649</u>	<u>108,001</u>
Plant and equipment - at cost	44,880	79,167
Less: Accumulated depreciation	<u>(13,146)</u>	<u>(65,773)</u>
	<u>31,734</u>	<u>13,394</u>
	<u><u>133,383</u></u>	<u><u>121,395</u></u>

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 \$	Total \$
Balance at 1 July 2023	61,824	15,256	77,080
Additions	58,565	2,362	60,927
Depreciation	<u>(12,388)</u>	<u>(4,224)</u>	<u>(16,612)</u>
Balance at 30 June 2024	108,001	13,394	121,395
Additions	17,460	22,798	40,258
Disposals	(6,886)	(965)	(7,851)
Depreciation	<u>(16,926)</u>	<u>(3,493)</u>	<u>(20,419)</u>
Balance at 30 June 2025	<u><u>101,649</u></u>	<u><u>31,734</u></u>	<u><u>133,383</u></u>

Additions

During the financial year the company upgraded its security system and installed a new air conditioner.

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 20 years
Plant and equipment	2 to 40 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.

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 14. Right-of-use assets

	2025	2024
	\$	\$
Land and buildings - right-of-use	608,702	596,402
Less: Accumulated depreciation	<u>(125,103)</u>	<u>(99,884)</u>
	<u><u>483,599</u></u>	<u><u>496,518</u></u>

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	163,492
Remeasurement adjustments	354,176
Depreciation expense	<u>(21,150)</u>
Balance at 30 June 2024	496,518
Remeasurement adjustments	12,300
Depreciation expense	<u>(25,219)</u>
Balance at 30 June 2025	<u><u>483,599</u></u>

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 17 for more information on lease arrangements.

Note 15. Intangible assets

	2025	2024
	\$	\$
Franchise fee	43,605	43,605
Less: Accumulated amortisation	<u>(40,528)</u>	<u>(38,356)</u>
	<u>3,077</u>	<u>5,249</u>
Franchise renewal fee	168,025	168,025
Less: Accumulated amortisation	<u>(152,641)</u>	<u>(141,782)</u>
	<u>15,384</u>	<u>26,243</u>
	<u><u>18,461</u></u>	<u><u>31,492</u></u>

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 15. Intangible assets (continued)

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	7,420	37,102	44,522
Amortisation expense	<u>(2,171)</u>	<u>(10,859)</u>	<u>(13,030)</u>
Balance at 30 June 2024	5,249	26,243	31,492
Amortisation expense	<u>(2,172)</u>	<u>(10,859)</u>	<u>(13,031)</u>
Balance at 30 June 2025	<u><u>3,077</u></u>	<u><u>15,384</u></u>	<u><u>18,461</u></u>

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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2026

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

Note 16. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	3,840	3,935
Other payables and accruals	<u>19,882</u>	<u>22,906</u>
	<u><u>23,722</u></u>	<u><u>26,841</u></u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>-</u>	<u>15,181</u>
	<u><u>23,722</u></u>	<u><u>42,022</u></u>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	23,722	42,022
less other payables and accrued (net GST payable to ATO)	<u>(1,267)</u>	<u>(3,525)</u>
	<u><u>22,455</u></u>	<u><u>38,497</u></u>

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 17. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	48,687	47,546
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	469,167	470,435
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	517,981	175,013
Remeasurement adjustments	12,300	361,398
Lease interest expense	37,013	13,786
Lease payments - total cash outflow	(49,440)	(32,216)
	517,854	517,981

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
Mundubbera Branch	7.50%	5 years	3 x 5 years	Yes	March 2044

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	603,409	603,409	603,409	603,409
Less: Equity raising costs	-	-	(30,846)	(30,846)
	603,409	603,409	572,563	572,563

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.

North Burnett Community Enterprises Limited

Notes to the financial statements

30 June 2025

Note 18. Issued capital (continued)

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 195. As at the date of this report, the company had 222 shareholders (2024: 221 shareholders).

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

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

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

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 18. Issued capital (continued)

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 19. 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 20. Dividends

Dividends provided for and paid during the period

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

	2025 \$	2024 \$
Unfranked dividend of 4 cents per share (2024: nil cents)	24,136	-

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2025 \$	2024 \$
Unfranked dividend of nil cents per share (2024: 5 cents)	-	30,170

Dividends provided for during the period

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2025 \$	2024 \$
Correction of over-provision for dividend payable	-	(786)

Accounting policy for dividends

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

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 21. Financial risk management

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

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

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

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

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 11)	6,236	48,666
Cash and cash equivalents (note 10)	44,380	36,914
Investments (note 12)	111,704	27,129
	<u>162,320</u>	<u>112,709</u>
Financial liabilities		
Trade and other payables (note 16)	22,455	38,497
Lease liabilities (note 17)	517,854	517,981
	<u>540,309</u>	<u>556,478</u>

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, investments 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.

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 21. Financial risk management (continued)

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. The company held cash and cash equivalents of \$44,380 and investments of \$111,704 at 30 June 2025 (2024: \$36,914 and \$27,129).

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Price risk

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

Liquidity risk

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

Financing arrangements

The bank overdraft facilities were removed during the period.

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	22,455	-	-	22,455
Lease liabilities	50,324	201,297	691,959	943,580
Total non-derivatives	72,779	201,297	691,959	966,035
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	23,316	15,181	-	38,497
Lease liabilities	49,145	196,580	724,885	970,610
Total non-derivatives	72,461	211,761	724,885	1,009,107

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 22. Key management personnel disclosures

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

Barry "John" Zahl	Letitia Maree Berthelsen
Louise Katherine Walker	Jane Louise Carroll
Brianna Kate Hockey	Melissa Hopkins
Alexandra Winter O'Neill	

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 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

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 paid grants to Burnett Sub Chamber of Argicultural Societies Inc in the period. A director of the company is also a director of this association.	1,000	-
The company paid grants to an Monto & District Show Society in the period. A director of the company is also a director of this association.	2,000	-
A directors son is a member of the Taroom Black Tie Ball Committee which was approved for a sponsorship	858	-
The company paid grants to an association in the period. A director of the company is also a director of this association.	-	3,000
The company made a payment to North Burnett Community Services where a director is also a director of this association.	9,773	-

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 24. 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
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	6,750	6,450
<i>Other services</i>		
Taxation advice and tax compliance services	265	700
General advisory services	3,680	2,760
Share registry services	4,664	4,458
	8,609	7,918
	15,359	14,368

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2025	2024
	\$	\$
Profit after income tax expense for the year	58,172	60,934
Adjustments for:		
Depreciation and amortisation	58,669	50,792
Net loss on disposal of non-current assets	7,851	-
Lease liabilities interest	37,013	13,786
Change in operating assets and liabilities:		
Decrease in trade and other receivables	23,115	25,169
Decrease in deferred tax assets	19,422	18,386
Decrease in trade and other payables	(4,499)	(15,029)
Increase in other provisions	377	407
Net cash provided by operating activities	200,120	154,445

Note 26. Earnings per share

	2025	2024
	\$	\$
Profit after income tax	58,172	60,934
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	603,409	603,409
Weighted average number of ordinary shares used in calculating diluted earnings per share	603,409	603,409
	Cents	Cents
Basic earnings per share	9.64	10.10
Diluted earnings per share	9.64	10.10

North Burnett Community Enterprises Limited
Notes to the financial statements
30 June 2025

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. 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.

North Burnett Community Enterprises Limited
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Barry "John" Zabl
Chairman

27 August 2025



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

Independent auditor's report to the Directors of North Burnett Community Enterprises Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of North Burnett 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 North Burnett 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
afs@afsbendigo.com.au
03 5443 0344

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 27 August 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor