

Annual Report 2025

**Picton & District Community Enterprises
Limited**

**Community Bank Picton & District
ABN 73 145 546 121**

Community Bank Report 2025 BEN Message

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

About Community Bank Picton & Districts

Picton and Districts Community Enterprises Ltd. has entered into a franchise agreement with Bendigo and Adelaide Bank that governs the management of the Community Bank. The management by Bendigo and Adelaide includes providing the banking infrastructure, a full range of banking products, training of staff and ongoing support.

Bendigo Bank is one of Australia's oldest financial institutions, having operated since 1858.

Bendigo and Adelaide Bank and our community company share agreed portions of the profits of Community Bank Picton & Districts branch and the community company is responsible for paying the branch running costs.

When our local company begins to make a regular operating surplus from its share of the profits, after the payment of branch running costs, the remaining funds are available to be reinvested back into the community through dividends to shareholders and grants to community groups and projects.

Annual Report

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Picton & District Community Enterprises Ltd.

WHAT WE WANT TO BE?

- At the forefront of people's mind with banking and community involvement
- A profitable Community Bank and a Bank of choice
- Be invited as part of the community
- We want to be connected and engaged

WHAT IS OUR REASON FOR BEING?

To assist and strengthen our community

We Will:	By:
Support and develop the potential and growth of directors and staff	Recognising achievements, maximising skills and staff retention
Develop a cohesive marketing strategy	Extending our reach through a multi-media marketing campaign
Improve our engagement with shareholders customers and our community	increasing our presence in the community
Be an ethical, transparent and compliant organisation	Implementing good governance practices
Grow the business	Supporting the business plan.

About us...

Community Bank Picton & District Branch opened its doors in 2011.

Starting off as a small business, we have grown steadily each year. Ten years on we continue to provide local banking with quality customer service. We are proud to support our community with funds and involvement. To get this far is a real milestone and testament to the commitment and support of the Picton and district local community.

The branch contributes profits back to the community through its sponsorships & grants program found on page 16 of this Annual Report. The program assists local community groups with a wide range of projects, events and initiatives.

Shares are available to invest in our company and we have been working hard towards being able to provide a dividend for our shareholders.

We are pleased to be able to provide a great opportunity to be a part of a local business with a sustainable future. We employ local people and support our local community.

Our People...

Deputy Chair / Secretary:

Evelyn Szumski



Treasurer:

Leigh Christopher



Director: Josh Muller



Director: Phil Digger



Our Staff today...

Branch Operations

Manager:

Amber O'Brien



Customer Relationship

Officer:

Shweta Parasher



Customer Service Officer:

Baxter Sparkes



We'd like to thank the staff below for the wonderful work they did over the last year and to wish them well in their new endeavors.

Harry Dhillon



Shaz Kumar



Sade Lobendahn



John Maldonado



Message from the Chair...

For year ending 30 June 2025

As we look back on the year, I'm pleased to report meaningful progress toward our vision of growing the branch—profitably and sustainably.

Our new branch structure has settled well and supports a positive outlook. While some tweaking was needed throughout the year due to staff changes arising from personal circumstances, our team has continued to develop strongly—meeting, and in many cases exceeding, targets and passing all audits.

Our Branch Manager, **Amber O'Brien**, has done a fantastic job lifting our visibility, reconnecting with customers, and ensuring they feel genuinely valued. Amber has sharpened our focus on retention and growth and is working closely with our mobile lender, who has built a strong pipeline with results improving month on month.

During the year, **Sade Lobendahn** and **Harry Singh** left to pursue other opportunities. We thank them for their contributions and wish them every success.

We also welcomed new team members:

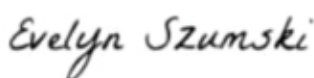
- **John Maldonado**, joining from Aussie Home Loans as a mortgage broker, with prior experience at CBA and ANZ in Business Banking and Consumer Lending, and at ING as a BDM in the third-party channel.
- **Shweta Parasher**, joining from ANZ as a part-time Customer Service Officer and already a valued member of the Picton community—she is proving to be an outstanding asset for our customers.
- **Baxter Sparkes**, who joined from a management role at KFC and brings excellent customer service skills.

Together with Amber, Baxter, Shweta, John and Shaz, I thank our entire team for their commitment to our customers and our branch.

Staff movements and the associated transition costs impacted profitability this year, and no dividend has been declared for FY2025. Looking ahead, we are firmly focused on growth and are exploring ways to leverage our brand and community reach. The outlook for the current financial year is promising—stay tuned.

I would also like to thank our wonderful Board, who generously volunteer their time to guide effective decision-making and good governance.

Finally, thank you to our shareholders, customers, and community for your continued support during my time on the Board.



Evelyn Szumski
Deputy Chairperson

Message from the Branch Manager...

For year ending 30 June 2025

With over 28 years' experience in the Banking and Finance Sector and a Diploma in Accounting, I have never been more dedicated to the core values of Bendigo and Adelaide Bank, representing teamwork, integrity, performance, engagement, leadership and passion. When I accepted the position of Branch Manager with Community Bank Picton & District, I knew this was an important role however I didn't realise just how special this role would become to me. I am surrounded by and in awe of such an amazing and kind community and would come to care for each and every customer deeply, and I always look forward to seeing how their week has been. I have put together a team who share the same drive and passion in making our community the most successful it has ever been.

I have moved roles to better suit the needs of the branch operations and the community needs with more roles centered on how we can best meet the immediate needs of all our valued customers. This year we will be combining the Mobile Relationship Role and the In Branch Lending role into a Business Development role, which will better meet the needs of the company and the community. This year we welcomed Shweta Parasher into the CRO and Baxter Sparkes into our Customer Service role, both bring a deep seeded passion for the community. In 2025 we will celebrate our 14 years since opening of the branch in October.

An intense Training program has been implemented internally to see the best quality from my staff focussing on cross skilling to ensuring the needs of our customers are met, I believe this is our best team to date. Causes close to my heart are Domestic violence and Mental Health organisations which we continue to support with both our sponsorships and our time into each day. An integral part of our business is that our community bank model contributes 80% of profits back into the community, and 20% to our shareholders. We have worked with 14 organisations including schools to provide sponsorships and much needed support financially and providing our time to these organisations. Our Combined footings increased by \$25 million in our growth, showing our commitment to the success of the Community Bank Picton & District Branch.

Now that we have provided the much-needed structure within the branch, our focus will be going forward integrating into the community on a deeper level with our passion to our focussed Business development. I would like to thank the board of directors with Community Bank Picton & District with the much needed and appreciated support they have given to me seeing through my vision for this company, working alongside such passionate people will see the sustainability to support this community going forward for many years to come.

We look forward to seeing through our goals for this branch within the community.

Amber O'Brien
Branch Manager

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

Evelyn Szumski

Deputy Chairperson / Secretary

Occupation: Coach and Trainer

Qualifications, experience and expertise: Holding key management and leadership roles within the Telstra corporation for 23 years, Evelyn was regarded as the 'go to' person on a range of corporate areas including employee coaching, mentoring, employee rights, nationwide policies, procedures and rollout of systems, demonstrating the high regard held for her by the Telstra Corporation. She also specialises in coaching business owners and company CEOs. Evelyn helps business owners identify their goals, understand and formalise them and strategize the implementation of achieving these goals in simple, easy to manage steps over allocated time frames and practices brain-based coaching being an authorised YB12 coach. Qualifications include being an accredited SEI EQ Assessor, Six Seconds Certified EQ Assessor, YB12 Coach Authorisation, Neuro leadership coaching accreditation, Executive coach Master Business accelerator, Certified Leading Dimensions Profiler, Cert IV TAE, Diploma of Management, Deakin University - Team leader development program and Diploma of Business Administration.

Special responsibilities: Deputy Chairperson / Secretary and Governance Committee

Interest in shares: Nil

Josephus Huibertus Muller

Non-executive Director

Occupation: Retired

Qualifications, experience and expertise: Teaching Certificate (Wagga Wagga Teachers College 1972), Bachelor of Financial Administration (UNE 1986) and Cert IV in Human Resources 2011 Macarthur TAFE. Management Accountant and past Director of Australian Co-operatives Association and Secretary/Treasurer of Buxton Rural Fire Brigade.

Special responsibilities: Finance and Governance Committee

Interest in shares: 500

Phillip Lee Digger

Non-executive Director

Occupation: Small Business Owner

Qualifications, experience and expertise: Upholsterer, Carpet Sales and Flooring layer. Life member of Picton Rugby League Football Club. Tafe in Upholstery & Carpet Laying

Special responsibilities: Nil

Interest in shares: 2001

Leigh Christopher

Non-executive Director

Occupation: Financial Planner

Qualifications, experience and expertise: 12 years experience within the Financial Services industry, Certified Financial Planning (CFP) Bachelor of Business (Applied Finance) UWS, Advanced Diploma of Financial Planning Director | Financial Adviser at Australian Finance Hub Wealth Management Specialist in Self-Managed Super Fund set up. Assisting clients with tailored personal insurance (Income Protection) and assist with claims. Wealth accumulation and management Interests include Rugby League, golf, travelling, time with family and friends

Special responsibilities: Nil

Interest in shares: Nil

Directors (continued)

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

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

Company secretary

The company secretary is Evelyn Szumski. Evelyn was appointed to the position of secretary on 15 November 2021.

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 loss for the company after providing for income tax amounted to \$34,884 (30 June 2024: \$10,523). Operations have continued to perform in line with expectations.

Dividends

No dividends were declared or paid in the current 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 (including meetings of committees of director) attended by each of the directors of the company during the financial year were:

	Board Meetings Attended	
	A	B
Evelyn Szumski	10	10
Josephus Huibertus Muller	10	10
Philip Lee Digger	10	10
Leigh Christopher	5	10

A – eligible to attend

B – number attended

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors (continued)

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
Evelyn Szumski	-	-	-
Josephus Huibertus Muller	500	-	500
Phillip Lee Digger	2,001	-	2,001
Leigh Christopher	-	-	-

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*.

Directors (continued)

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 22 to the accounts.

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

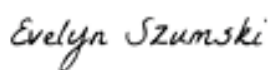
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional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

Auditor's independence declaration

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

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

On behalf of the directors



Evelyn Szumski
Deputy Chairperson

16 September 2025

Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 380
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Picton & District Community Enterprises Limited

As lead auditor for the audit of Picton & District 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
- ii) to the audit; and 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: 16 September 2025

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

Joshua Griffin
Lead Auditor



Our Bank Branch – Strategic Plan and Structure

We have been working hard again this year on our strategic plan and refining the new structure for the business. We have also continued to implement our sound market research, promoted Bendigo Bank's products, and got the brand out there - all within a well-considered budget.

Our strategy to use several ways to get the word out about our business without it "breaking the bank" continues and following are some of the initiatives that have been implemented:

- Using our Cabanas to have a physical presence in the Community
- Taking advantage of the Community Bank marketing initiatives and templates
- Designing and promoting our social media presence
- Collaborating with other key community players
- Offering our services and product as a competition prizes
- Promoting referral marketing with the help of our Branch Manger
- Getting our name out there through radio and the print media

Proud to sponsor our Community & Events!

In the spirit of community engagement and support, Community Bank Picton & District proudly highlights its active involvement in various sponsorships throughout the 2023-2024 financial year. As dedicated stewards of our community, the Board of Directors is delighted to have been sponsors for a wide range of clubs and events, contributing to the vibrant spirit of our locality.

Illuminate Wollondilly



Heroes with Ability



In 2024-2025, Community Bank Picton and Districts is honoured to have sponsored Heroes with Ability, a registered charity committed to promoting inclusivity and wellbeing. Through our support, schools in our community have had the opportunity to partake in a program that embodies the values of health and inclusiveness, strengthening the foundations of a healthier, happier future for all.

Proud to sponsor our Community & Events!

Blue Wren Women's Shelter Gala Evening



The Oaks Chamber of Commerce - Light up the Oaks



Divident Payment History

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level*	Date Paid
2024/2025	No dividend paid		
2023/2024	No dividend paid		
2022/2023	No dividend paid		
2021/2022	0.05	Unfranked	29 June 2022
2020/2021	0.05	Unfranked	25 March 2021
2019/2020	0.05	Unfranked	25 March 2020

Trading Shares in Picton & District Community Enterprises Ltd.

Community Bank Picton & District Branch of Bendigo Bank is operated by Picton & District Community Enterprises Limited.

Picton & District Community Enterprises Limited also operates a Special Market called a Low Volume Market (LVM), to facilitate the trading of its shares.

The AFS share registry team provide a comprehensive share register management service for Picton & District Community Enterprises Limited and offer a secure online platform to manage the share registers allowing real time access to registry information by board members and shareholders.

In 2021-22 financial year AFS took over the management of the LVM for Picton & District Community Enterprises Limited. Further information can be found at the following web link.

<https://www.afsbendigo.com.au/share-registry/>

There are no recent share trades for Picton & District Community Enterprises Limited. In order to buy or sell shares in Picton & District Community Enterprises Limited you must first register your interest formally.

The following web link will enable you register online or download the appropriate forms to complete any transactions in the LVM.

<https://www.bendigobank.com.au/branch/nsw/community-bank-picton-district/lvm-shares/>

If a registered buyer and seller agree to trade shares, the buyer must first seek approval from the Company's Board by completing the Share Purchase Form and sending to AFS.

Once approved, the registered buyer and seller must complete the Security Transfer Form and send it to AFS.

Stamp Duty may also be payable and it is wise to check with the State Revenue Office for details. If Stamp Duty applies, the buyer must comply with State Revenue Office regulations prior to submitting the Security Transfer Form to AFS.

All LVM interest and transactions should be posted to:

Share Registry Team, AFS & Associates Pty Ltd
Picton & District Community Enterprises Limited
PO Box 454 Bendigo VIC 3552
shareregistry@afsbendigo.com.au

A full list of the interested traders as at 30 June 2025 (including number of shares and desired trading price) is provided as follows:

Buyers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged
500	\$ 0.80	25	04/05/2021

Sellers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged
2,000	\$ 1.00	31	30/05/2023
10,000	\$ 1.00	30	29/05/2023
1,000	\$ 1.00	26	09/01/2024
4,401	\$ 1.00	33	06/06/2024
700	\$ 1.00	34	06/06/2024
20,000	\$ 0.95	32	27/06/2024
10,000	\$ 1.00	35	18/07/2024

Special Market Condition Notices - Low Volume Market (LVM)

Picton & District Community Enterprises Limited does not hold a license to operate a financial market and is not subject to market obligations, in particular the obligation to ensure that the market is fair, transparent and orderly.

The market is covered by an exemption under section 791C of the Corporations Act. Picton & District Community Enterprises Limited does not provide a settlement service for trading in the market – it is the responsibility of the parties to a transaction to arrange payment between themselves.

Shares in Picton & District Community Enterprises Limited have characteristics that may differ from mainstream securities.

Special characteristics of Community Bank companies

- ‘One shareholder one vote’ constitutions rather than ‘one share one vote’.
- Shareholder limit of 10% of issued capital for individuals and related entities.
- There is a limit on profits that can be distributed to shareholders, including through dividends. By way of overview, the limit is the higher of: (a) 20% of the profits of the Company otherwise available for distribution to shareholders in the financial year, and (b) the relevant rate of return (being the weighted average interest rate on 90 day bank bills over the 12 month period plus 5%) multiplied by the average level of share capital over the 12 month period.
- Persons who do not possess a “close connection” with the community served by Picton & District Community Enterprises Limited can be prohibited from acquiring shares in the Company.
- Share transfers which result in the number of shareholders in Picton & District Community Enterprises Limited falling below a fixed “Base Number” will be prohibited.
- These restrictions are intended to embed the community nature of Picton & District Community Enterprises Limited.
- Directors of Picton & District Community Enterprises Limited have the right to refuse to register any transfer of shares in their unlimited discretion.
- Full details of the restrictions on holding shares and Directors’ powers to refuse to register a transfer of shares are set out in the Company’s constitution. A copy of the constitution is available on request from the Company Secretary
- Stamp duty may apply in your State/Territory. Please refer to the State Revenue Office in your State for details.

Investor relations...

Shareholders - Contact Us

Company Details:

Picton & District Community Enterprises Ltd
ABN - 73 145 546 12
PO Box 660
Picton NSW 2571

Shop T20 Picton Mall,
9-13 Margaret St Picton NSW 2571

Secretary Details:

Evelyn Szumski
c/- PO Box 660 PICTON NSW 2571
Phone: 0428553900

Share Registry and LVM management Details:

AFS & Associates Pty Ltd
61-65 Bull Street
Bendigo VIC 3550

Postal Address
PO Box 454
Bendigo VIC 3552

Phone: 03 5443 0344
Fax: 03 5443 5304

Email: shareregistry@afsbendigo.com.au
Web: www.afsbendigo.com.au

Picton & District Community Enterprises Limited

ABN: 73 145 546 121

Financial Report

For the year ended
30 June 2025

The directors present the financial statements of the company for the financial year ended 30 June 2025.

Picton & District Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

Picton & District 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	6	714,275	695,417
Other revenue		6,000	163
Finance revenue		9,614	11,285
Total revenue		<u>729,889</u>	<u>706,865</u>
Employee benefits expense	7	(555,540)	(506,009)
Advertising and marketing costs		(2,754)	(1,902)
Occupancy and associated costs		(9,058)	(25,169)
System costs		(21,013)	(16,238)
Depreciation and amortisation expense	7	(70,079)	(65,610)
Finance costs		(4,882)	(6,602)
General administration expenses		(93,020)	(81,713)
Total expenses before community contributions and income tax		<u>(756,346)</u>	<u>(703,243)</u>
Profit/(loss) before community contributions and income tax (expense)/benefit		(26,457)	3,622
Charitable donations and sponsorships expense		<u>(20,055)</u>	<u>(18,977)</u>
Loss before income tax benefit		(46,512)	(15,355)
Income tax benefit	8	<u>11,628</u>	<u>4,832</u>
Loss after income tax benefit for the year		(34,884)	(10,523)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(34,884)</u></u>	<u><u>(10,523)</u></u>
		Cents	Cents
Basic earnings per share	24	(3.94)	(1.19)
Diluted earnings per share	24	(3.94)	(1.19)

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

Picton & District Community Enterprises Limited
Statement of financial position
For the year ended 30 June 2025

Picton & District Community Enterprises Limited
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	308,479	337,968
Trade and other receivables	10	61,603	69,409
Investments	11	166,001	156,497
Current tax assets	8	8,960	15,831
Total current assets		<u>545,043</u>	<u>579,705</u>
Non-current assets			
Property, plant and equipment	12	22,743	35,043
Right-of-use assets	13	41,282	78,516
Intangible assets	14	16,409	29,536
Deferred tax assets	8	50,741	39,113
Total non-current assets		<u>131,175</u>	<u>182,208</u>
Total assets		<u>676,218</u>	<u>761,913</u>
Liabilities			
Current liabilities			
Trade and other payables	15	73,988	73,063
Lease liabilities	16	47,374	49,901
Employee benefits		29,634	23,217
Provisions		28,632	-
Total current liabilities		<u>179,628</u>	<u>146,181</u>
Non-current liabilities			
Trade and other payables	15	-	15,085
Lease liabilities	16	-	43,377
Employee benefits		2,987	1,459
Provisions		-	27,324
Total non-current liabilities		<u>2,987</u>	<u>87,245</u>
Total liabilities		<u>182,615</u>	<u>233,426</u>
Net assets		<u>493,603</u>	<u>528,487</u>
Equity			
Issued capital	17	848,252	848,252
Accumulated losses		<u>(354,649)</u>	<u>(319,765)</u>
Total equity		<u>493,603</u>	<u>528,487</u>

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

Picton & District Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2025

Picton & District Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2025

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	<u>848,252</u>	<u>(309,242)</u>	<u>539,010</u>
Loss after income tax expense	-	(10,523)	(10,523)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>(10,523)</u>	<u>(10,523)</u>
Balance at 30 June 2024	<u>848,252</u>	<u>(319,765)</u>	<u>528,487</u>
 Balance at 1 July 2024	 <u>848,252</u>	 <u>(319,765)</u>	 <u>528,487</u>
Loss after income tax expense	-	(34,884)	(34,884)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>(34,884)</u>	<u>(34,884)</u>
Balance at 30 June 2025	<u>848,252</u>	<u>(354,649)</u>	<u>493,603</u>

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

Picton & District Community Enterprises Limited
Statement of cash flows
For the year ended 30 June 2025

Picton & District 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)		796,169	769,437
Payments to suppliers and employees (inclusive of GST)		(754,126)	(714,155)
Interest received		13,353	7,546
Interest and other finance costs paid		(7,035)	(7)
Income taxes paid		(1,310)	(7,650)
Net cash provided by operating activities	23	47,051	55,171
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(9,504)	(3,770)
Payments for property, plant and equipment	12	(3,714)	(908)
Payments for intangible assets		(13,714)	(13,714)
Net cash used in investing activities		(26,932)	(18,392)
Cash flows from financing activities			
Interest and other finance costs paid		(3,462)	(5,343)
Repayment of lease liabilities		(46,146)	(50,906)
Net cash used in financing activities		(49,608)	(56,249)
Net decrease in cash and cash equivalents		(29,489)	(19,470)
Cash and cash equivalents at the beginning of the financial year		337,968	357,438
Cash and cash equivalents at the end of the financial year	9	308,479	337,968

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

Picton & District Community Enterprises Limited
Notes to the financial statements
For the year ended 30 June 2025

Picton & District Community Enterprises Limited
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Note 1. Reporting entity

The financial statements cover Picton & District 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 Shop T20 Picton Mall, 9 Margaret Street, Picton NSW 2571.

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 16 September 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Impairment of non-financial assets

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

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

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

Picton & District Community Enterprises Limited

Notes to the financial statements

For the year ended 30 June 2025

Picton & District Community Enterprises Limited

Notes to the financial statements

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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.

Recovery of deferred tax assets

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

Lease term

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

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

Picton & District Community Enterprises Limited

Notes to the financial statements

For the year ended 30 June 2025

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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.

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in October 2026.

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

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

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

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

Picton & District Community Enterprises Limited

Notes to the financial statements

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Picton & District Community Enterprises Limited

Notes to the financial statements

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Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	662,103	644,495
Fee income	32,496	30,617
Commission income	19,676	20,305
	<u>714,275</u>	<u>695,417</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:

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

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.

Picton & District Community Enterprises Limited
Notes to the financial statements
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Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	473,093	435,516
Superannuation contributions	52,629	45,740
Expenses related to long service leave	1,528	520
Other expenses	28,290	24,233
	<u>555,540</u>	<u>506,009</u>

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Note 7. Expenses (continued)

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	13,708	13,191
Plant and equipment	2,306	2,016
	<u>16,014</u>	<u>15,207</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>40,938</u>	<u>37,276</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,187	2,188
Franchise renewal fee	10,940	10,939
	<u>13,127</u>	<u>13,127</u>
	<u><u>70,079</u></u>	<u><u>65,610</u></u>

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax benefit</i>		
Movement in deferred tax	(11,628)	1,428
Future income tax benefit attributable to losses	-	(5,267)
Under/over adjustment	<u>-</u>	<u>(993)</u>
Aggregate income tax benefit	<u><u>(11,628)</u></u>	<u><u>(4,832)</u></u>
<i>Prima facie income tax reconciliation</i>		
Loss before income tax benefit	<u>(46,512)</u>	<u>(15,355)</u>
Tax at the statutory tax rate of 25%	(11,628)	(3,839)
Tax effect of:		
Under/over adjustment	<u>-</u>	<u>(993)</u>
Income tax benefit	<u><u>(11,628)</u></u>	<u><u>(4,832)</u></u>

	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	24,716	16,802
Property, plant and equipment	7,964	5,455
Employee benefits	8,155	6,169
Lease liabilities	11,844	23,320
Provision for lease make good	7,158	6,831
Accrued expenses	1,225	1,100
Income accruals	-	(935)
Right-of-use assets	<u>(10,321)</u>	<u>(19,629)</u>
Deferred tax asset	<u><u>50,741</u></u>	<u><u>39,113</u></u>

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Note 8. Income tax (continued)

	2025 \$	2024 \$
Income tax refund due	8,960	15,831

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 at bank and on hand	308,479	337,968

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	56,727	60,594
Other receivables and accruals	479	3,864
Prepayments	4,397	4,951
	4,876	8,815
	61,603	69,409
	2025 \$	2024 \$
<i>Financial assets at amortised cost classified as trade and other payables</i>		
Total trade and other payables	61,603	69,409
Less prepayments	(4,397)	(4,951)
	57,206	64,458

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.

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Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	166,001	156,497

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	117,878	116,688
Less: Accumulated depreciation	(102,682)	(88,974)
	15,196	27,714
Plant and equipment - at cost	73,898	71,374
Less: Accumulated depreciation	(66,351)	(64,045)
	7,547	7,329
	22,743	35,043

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	40,905	8,437	49,342
Additions	-	908	908
Depreciation	(13,191)	(2,016)	(15,207)
Balance at 30 June 2024	27,714	7,329	35,043
Additions	1,190	2,524	3,714
Depreciation	(13,708)	(2,306)	(16,014)
Balance at 30 June 2025	15,196	7,547	22,743

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 diminishing value and 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	15 to 20 years
Plant and equipment	4 to 10 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.

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Note 13. Right-of-use assets

	2025	2024
	\$	\$
Land and buildings - right-of-use	244,774	241,070
Less: Accumulated depreciation	<u>(203,492)</u>	<u>(162,554)</u>
	<u><u>41,282</u></u>	<u><u>78,516</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	100,319
Remeasurement adjustments	15,473
Depreciation expense	<u>(37,276)</u>
Balance at 30 June 2024	78,516
Remeasurement adjustments	3,704
Depreciation expense	<u>(40,938)</u>
Balance at 30 June 2025	<u><u>41,282</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 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025	2024
	\$	\$
Franchise fee	32,131	32,131
Less: Accumulated amortisation	<u>(29,396)</u>	<u>(27,209)</u>
	<u>2,735</u>	<u>4,922</u>
Franchise renewal fee	110,657	110,657
Less: Accumulated amortisation	<u>(96,983)</u>	<u>(86,043)</u>
	<u>13,674</u>	<u>24,614</u>
	<u><u>16,409</u></u>	<u><u>29,536</u></u>

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Note 14. 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	7,110	35,553	42,663
Amortisation expense	(2,188)	(10,939)	(13,127)
Balance at 30 June 2024	4,922	24,614	29,536
Amortisation expense	(2,187)	(10,940)	(13,127)
Balance at 30 June 2025	<u>2,735</u>	<u>13,674</u>	<u>16,409</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)	October 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2026

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

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	8,049	3,030
Other payables and accruals	<u>65,939</u>	<u>70,033</u>
	<u>73,988</u>	<u>73,063</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>-</u>	<u>15,085</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	73,988	88,148
less other payables and accruals (net GST payable to the ATO)	<u>(13,403)</u>	<u>(13,351)</u>
	<u>60,585</u>	<u>74,797</u>

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Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	47,374	49,901
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	-	43,377
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	93,278	134,503
Remeasurement adjustments	3,704	9,681
Lease interest expense	3,462	5,343
Lease payments - total cash outflow	(53,070)	(56,249)
	47,374	93,278

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 available	Reasonably certain to exercise options	Lease term end date used in calculations
Picton branch	4.79%	5 years	N/A	N/A	June 2026

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	884,509	884,509	884,509	884,509
Less: Equity raising costs	-	-	(36,257)	(36,257)
	884,509	884,509	848,252	848,252

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.

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Note 17. 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 192. As at the date of this report, the company had 210 shareholders (2024: 209 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.

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Note 17. 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 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. 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 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.

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Note 19. Financial risk management (continued)

	2025	2024
	\$	\$
Financial assets at amortised cost		
Trade and other receivables (note 10)	57,206	64,458
Cash and cash equivalents (note 9)	308,479	337,968
Term deposits (note 11)	166,001	156,497
	<u>531,686</u>	<u>558,923</u>
Financial liabilities		
Trade and other payables (note 15)	60,585	74,797
Lease liabilities (note 16)	47,374	93,278
	<u>107,959</u>	<u>168,075</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, 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.

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 \$308,479 at 30 June 2025 (2024: \$337,968) and term deposits of \$166,001 at 30 June 2025 (2024: \$156,497)

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.

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Note 19. Financial risk management (continued)

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 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	55,797	-	-	55,797
Lease liabilities	48,496	-	-	48,496
Total non-derivatives	104,293	-	-	104,293

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
2024	\$	\$	\$	\$
Trade and other payables	59,712	15,085	-	74,797
Lease liabilities	50,982	46,740	-	97,722
Total non-derivatives	110,694	61,825	-	172,519

Note 20. Key management personnel disclosures

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

Evelyn Szumski
Phillip Lee Digger

Josephus Huibertus Muller
Leigh Christopher

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 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

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

There were no transactions with related parties during the current and previous financial year.

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Note 22. 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	7,020	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	265	700
General advisory services	3,590	3,510
Share registry services	4,800	5,224
	8,655	9,434
	15,675	16,084

Note 23. Reconciliation of loss after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Loss after income tax benefit for the year	(34,884)	(10,523)
Adjustments for:		
Depreciation and amortisation	70,079	65,610
Lease liabilities interest	(3,462)	5,343
Change in operating assets and liabilities:		
Decrease in trade and other receivables	7,806	723
Increase in income tax refund due	(1,310)	(7,651)
Increase in deferred tax assets	(11,628)	(4,831)
Increase in trade and other payables	11,197	1,363
Increase in employee benefits	7,945	3,885
Increase in other provisions	1,308	1,252
Net cash provided by operating activities	47,051	55,171

Note 24. Earnings per share

	2025 \$	2024 \$
Loss after income tax	(34,884)	(10,523)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	884,509	884,509
Weighted average number of ordinary shares used in calculating diluted earnings per share	884,509	884,509
	Cents	Cents
Basic earnings per share	(3.94)	(1.19)
Diluted earnings per share	(3.94)	(1.19)

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Note 24. Earnings per share (continued)

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Picton & District Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. 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.

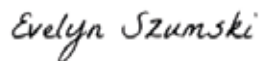
Picton & District Community Enterprises Limited Directors' declaration 30 June 2025

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



Evelyn Szumski
Deputy Chairperson

16 September 2025



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

Independent auditor's report to the Directors of Picton & District Community Enterprises Limited

Report on the Audit of the Financial Report

Our Opinion

In our opinion, the accompanying financial report of Picton & District 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 Picton & District 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.



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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: 16 September 2025

Joshua Griffin
Lead Auditor

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