



Annual Report 2025

Western Port Community
Enterprises Limited

Community Bank
Hastings & District

ABN 47 129 333 044

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Chair's report

For year ending 30 June 2025

Dear Shareholders,

It is my pleasure to present my first annual report as Chair of Western Port Community Enterprise Ltd.

Over the past 12 months the Board and our team have continued to focus on the key purpose of Community Bank Hastings & District — to deliver banking services while reinvesting profits locally and supporting the wellbeing and development of our community. As I step into this role, I wish to acknowledge the efforts of my predecessor, the outgoing Board and the dedicated management team in establishing the strong foundations from which we now build.

Governance & Board Matters

This year the Board maintained its focus on effective governance, oversight, and alignment with the broader Community Bank model of Bendigo Bank. We met regularly, and our sub-committees continued to monitor risk, performance, and community investment. I am grateful to my fellow volunteer Directors for the time and expertise they bring to our work.

Strategic & Operational Highlights

A key initiative for this year was the launch of our Community Investment Hub, a dedicated online platform to streamline sponsorship and grant applications, protect applicant data and support efficient processing. While other community banks have implemented similar tools, the introduction of this platform for our branch marks a significant step forward in how we engage with community organisations.

We were also pleased to enter into a major sponsorship agreement with the Western Port Biosphere Reserve Foundation, strengthening our commitment to environmental sustainability, education and long-term regional partnerships.

Our ongoing support of the Western Port Basketball Association remains a highlight. Through this relationship we are helping to foster sport, youth engagement, and community connection in our region.

I represented the Board at the National Community Bank Conference in Canberra, which provided an excellent opportunity to share ideas, benchmark best practice across the network, and bring new insights back to our local Board.

In alignment with our banking partner's priorities, we also supported initiatives around online safety and scam awareness during the year. This remains an important and evolving area of risk for our community and our customers, and we are committed to being proactive and supportive.

Community Investment & Impact

Through our operations and the support of our shareholders and customers, we have continued to deliver returns to the community via sponsorships, grants, and partnerships. The new Hub platform will further increase our transparency, responsiveness, and accessibility for local organisations seeking support.

Outlook & Priorities for the Year Ahead

As we look ahead, key priorities for the Board include:

- Leveraging data and efficiency gains from the Investment Hub to widen our community reach
- Strengthening relationships with local organisations and sporting groups, building on our work with Western Port Basketball and the Biosphere

Chair's report (continued)

- Continuing to enhance our governance and risk frameworks, particularly in areas of digital security, scams and customer protection
- Raising awareness of the Community Bank model in our region, so local banking and local investing remain connected.

Acknowledgements

I would like to thank our local branch manager, the branch team, our shareholders, our customers and the entire Board of Western Port Community Enterprise Ltd. Each member brings vital support, community spirit and energy to our mission. I also acknowledge our partners at Bendigo Bank for their ongoing guidance and support.

Closing Reflection

It is a privilege to serve as Chair of our community-owned bank. The strength of our organisation lies not only in financial performance, but in the relationships we build, the opportunities we enable and the difference we make in the places we all call home. I look forward with optimism to the year ahead, confident that by working together, we will continue to make a meaningful and lasting impact in our region.

Yours sincerely,

Amy Campion

Chair

Western Port Community Enterprise Ltd.

Manager's report

For year ending 30 June 2025

It is with pleasure that I submit my annual report to the shareholders for the financial year ended 30 June 2025.

I'm proud to share that over the past year financial year our overall branch footings increased by over 3.5%, this is a fantastic result considering we had 3 new customer service officers in this time coupled with 2 other team members being promoted to new roles in branch.

We now have around 4,550 customer profiles which is an increase of 3% from the previous year. Teller's transaction has increased slightly by 2.3% and products per customer have increased 2.4% on last year which shows quality conversations and the need for face-to-face banking is still in our community.

Community Bank Hastings & District continues to grow, as existing customers become our advocates and promote the benefits of supporting our Community Bank branch. This advocacy is being led particularly by the many not-for-profit groups that we have partnered since opening. These organisations are already seeing the rewards that banking with Community Bank Hastings & District can bring to them. Over the next 12 months we remain committed to developing and deepening our relationships with these not-for-profit customers, so that we can all continue to share in the building of a stronger and more financially secure local community. With the support of these groups and our existing customers, I am confident that we can continue to grow our business.

There have been many changes to our team over the years, 2025 again was no exception, with 2 of our experienced staff being internally promoted and moving into different roles within our branch, and the onboarding of 3 new to bank Customer service officers. This came with a range of challenges however with perseverance, teamwork and resilience we managed to have yet again another successful year. I would like to recognise the excellent support and service our past and present team members have provided to our customers, our Board, our Regional Support team, and myself.

I would also like to thank my Board of Directors who have worked tirelessly in promoting our Community Bank branch, along with our Regional Support team, including our Specialist Business Bankers, and Financial Planners. They have all supported both the staff and I in our efforts to continue to grow our business.

Last, but not least, I would like to thank all our customers and shareholders, who have supported our branch this year and in previous years. Without your support we would not have been able to achieve the results we have to date. I continue to ask that you be advocates for our branch and encourage your family, friends, and associates to also support our branch. The difference with the Community Bank model is that every time people bank with our local Community Bank branch, the bottom-line increases, and as such, community contributions and dividends increase too.

I look forward to the year ahead, and the many challenges I am sure it will bring. Please feel free to contact us anytime at Community Bank Hastings & District.

Scott Kruger
Branch Manager

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:	Trevor Donald Coleman
Title:	Non-executive director
Experience and expertise:	Previously worked in Finance and Insurance industries. Vast experience with management and sales in both industries. Prior to retirement Trevor had his own company which specialised in sales training and management.
Special responsibilities:	Community Investment Sub-Committee and HR
Name:	Jason Shaun Dowler
Title:	Non-executive director
Experience and expertise:	Real Estate business owner, Sales person 17 years, Business Degree (Marketing), Licenced Estate Agent President of the Westernport Chamber of Commerce and Industry, involvement 8 years.
Special responsibilities:	Business Development Committee
Name:	Amy Campion
Title:	Non-executive director
Experience and expertise:	Marketing and Communications Consultant, Writer. BA (Hons) Communication Arts; Post Grad Cert in Strategic Foresight. An experienced marketing and communications specialist across a wide range of industries with a focus on values driven and ethical organisations. A published writer, radio host on local station RPP FM.
Special responsibilities:	Marketing Sub-Committee
Name:	Andrew Venturini
Title:	Non-executive director
Experience and expertise:	Diploma of Business, Former Real Estate Agent, Management in Trade/Plumbing Hardware. Owner/Operator of Small Business and Manager of Electrical/Air Conditioning Business.
Special responsibilities:	Community Investment & Building Sub-Committees
Name:	Alice Victoria Hughes
Title:	Non-executive director
Experience and expertise:	Alice holds a Master's in Marketing & Communications (Strategy), a Bachelor of Business, and a Bachelor of Communication Design. He is currently the Marketing & Communications Manager at the Western Port Chamber of Commerce and has served as President of the Bellevue Hill Preschool Committee since 2022. Alice's previous roles include Marketing & Communications Consultant at IWDA Australia and Caulfield Grammar, and Marketing & Production Manager at Sussan Group.
Special responsibilities:	Marketing Sub-Committee
Name:	Alexandra Kabuschat
Title:	Non-executive director
Experience and expertise:	Alexandra holds a Bachelor of Arts in International Cultural and Business Studies. They have specialised experience in hotel and catering services with Hilton Munich Park, and has worked as an Event, Marketing, and Sponsoring Coordinator at BMW Motorsport. Additionally, Alexandra has experience in administration.
Special responsibilities:	Nil

Directors' report (continued)

Name:	Andrew Paul Iredale
Title:	Non-executive director (<i>appointed 28 August 2024</i>)
Experience and expertise:	Andrew holds a Bachelor of Arts La Trobe Uni, Graduate Diploma in Business (Accounting) Monash Uni. Andrew is self employed for 35 years, in current local Hastings business for 20 years. He is a current shareholder of the company and past director returning for another tenure.
Name:	Lisa Jane Dixon
Title:	Non-executive director (<i>appointed 23 October 2024, resigned 30 July 2025</i>)
Name:	Victor Charles Rodwell OAM
Title:	Non-executive director (<i>resigned 24 January 2025</i>)
Experience and expertise:	Holds a CPA, Small Business Owner for 40 years. Treasurer of W.C.C.I and President of W.C.C.I on two occasions.
Name:	John Thomas Crough
Title:	Non-executive director (<i>resigned 27 November 2024</i>)
Experience and expertise:	Worked in the finance industry for over 41 years, held the position of Victorian State Manager in a major bank and similar positions in Western Australia and Queensland, as well as being the Chief Executive Officer's representative for the state of Western Australia. Was a Member on a retail board of management for 10 years and a Director of various internal companies.
Name:	Stephen Robert Dowling
Title:	Non-executive director (<i>resigned 27 November 2024</i>)
Experience and expertise:	Steve is a successful businessman with extensive experience in both retail & wholesale operations. A director of his own companies in Australia and New Zealand for many years. His background of community service includes working with both community groups and NFPs. He was President of 4WD Victoria for 4 years, was a Military Officer and a Scout leader, is a supporter of The Royal Flying Doctor Service, a former Director of the Gawler Foundation and currently involved with a start up NFP which will work on innovation programs.

Company secretary

The company secretary is Danielle Hade. Danielle was appointed to the position of company secretary on 1 July 2024.

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 \$236,622 (2024: loss of \$25,334).

Operations have continued to perform in line with expectations.

Dividends

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

	2025	2024
	\$	\$
Unfranked dividend of 7 cents per share (2024: 7 cents)	54,723	54,723

Significant changes in the state of affairs

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

Directors' report (continued)

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Trevor Donald Coleman	10	9
Jason Shaun Dowler	10	8
Amy Campion	10	9
Andrew Venturini	10	9
Alice Victoria Hughes	10	5
Alexandra Kabuschat	10	7
Andrew Paul Iredale	10	7
Lisa Jane Dixon	10	2
Victor Charles Rodwell OAM	4	4
John Thomas Crough	4	2
Stephen Robert Dowling	4	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Trevor Donald Coleman	-	-	-
Jason Shaun Dowler	-	-	-
Amy Campion	-	-	-
Andrew Venturini	20,000	-	20,000
Alice Victoria Hughes	-	-	-
Alexandra Kabuschat	-	-	-
Andrew Paul Iredale	2,000	-	2,000
Lisa Jane Dixon	-	-	-
Victor Charles Rodwell OAM	50,001	-	50,001
John Thomas Crough	-	-	-
Stephen Robert Dowling	10,000	-	10,000

Shares under option

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

Directors' report (continued)

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 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 23 to the accounts.

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

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

Auditor's independence declaration

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



Amy Campion
Director

3 October 2025

Auditor's independence declaration



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

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

As lead auditor for the audit of Western Port 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: 3 October 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

Western Port 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	1,278,967	1,250,022
Finance revenue		10,689	-
Total revenue		<u>1,289,656</u>	<u>1,250,022</u>
Employee benefits expense	7	(567,206)	(621,404)
Advertising and marketing costs		(16,626)	(10,173)
Occupancy and associated costs		(28,188)	(22,286)
System costs		(28,881)	(25,491)
Depreciation and amortisation expense	7	(70,434)	(70,066)
Finance costs	7	(25,819)	(26,997)
General administration expenses		(115,218)	(119,218)
Total expenses before community contributions and income tax expense		<u>(852,372)</u>	<u>(895,635)</u>
Profit before community contributions and income tax expense		437,284	354,387
Charitable donations, sponsorships and grants expense	7	<u>(121,788)</u>	<u>(388,101)</u>
Profit/(loss) before income tax (expense)/benefit		315,496	(33,714)
Income tax (expense)/benefit	8	<u>(78,874)</u>	<u>8,380</u>
Profit/(loss) after income tax (expense)/benefit for the year		236,622	(25,334)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>236,622</u></u>	<u><u>(25,334)</u></u>
		Cents	Cents
Basic earnings per share	25	30.27	(3.24)
Diluted earnings per share	25	30.27	(3.24)

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

Financial statements (continued)

Western Port Community Enterprises Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	284,346	417,809
Trade and other receivables	10	99,616	93,240
Investments	11	400,000	-
Total current assets		<u>783,962</u>	<u>511,049</u>
Non-current assets			
Property, plant and equipment	12	76,899	60,419
Right-of-use assets	13	313,086	338,751
Intangible assets	14	41,818	55,759
Deferred tax assets	8	16,225	18,938
Total non-current assets		<u>448,028</u>	<u>473,867</u>
Total assets		<u>1,231,990</u>	<u>984,916</u>
Liabilities			
Current liabilities			
Trade and other payables	15	71,011	49,661
Lease liabilities	16	55,485	53,609
Current tax liabilities	8	76,161	-
Employee benefits		12,572	14,972
Total current liabilities		<u>215,229</u>	<u>118,242</u>
Non-current liabilities			
Trade and other payables	15	15,334	30,667
Lease liabilities	16	294,104	314,935
Employee benefits		14,576	11,189
Lease make good provision		14,278	13,313
Total non-current liabilities		<u>338,292</u>	<u>370,104</u>
Total liabilities		<u>553,521</u>	<u>488,346</u>
Net assets		<u>678,469</u>	<u>496,570</u>
Equity			
Issued capital	17	769,898	769,898
Accumulated losses		<u>(91,429)</u>	<u>(273,328)</u>
Total equity		<u>678,469</u>	<u>496,570</u>

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

Financial statements (continued)

Western Port 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		769,898	(193,271)	576,627
Loss after income tax expense		-	(25,334)	(25,334)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(25,334)	(25,334)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(54,723)	(54,723)
Balance at 30 June 2024		<u>769,898</u>	<u>(273,328)</u>	<u>496,570</u>
 Balance at 1 July 2024		 769,898	 (273,328)	 496,570
Profit after income tax		-	236,622	236,622
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	236,622	236,622
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(54,723)	(54,723)
Balance at 30 June 2025		<u>769,898</u>	<u>(91,429)</u>	<u>678,469</u>

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

Financial statements (continued)

Western Port 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)		1,399,149	1,407,099
Payments to suppliers and employees (inclusive of GST)		(980,600)	(1,360,088)
Interest received		7,768	-
Net cash provided by operating activities	24	426,317	47,011
Cash flows from investing activities			
Redemption of/(payments for) investments		(400,000)	-
Payments for property, plant and equipment	12	(35,336)	(9,269)
Payments for intangible assets		(13,940)	(13,940)
Net cash used in investing activities		(449,276)	(23,209)
Cash flows from financing activities			
Interest and other finance costs paid		(24,854)	(26,095)
Dividends paid	19	(54,723)	(54,723)
Repayment of lease liabilities		(30,927)	(27,912)
Net cash used in financing activities		(110,504)	(108,730)
Net decrease in cash and cash equivalents		(133,463)	(84,928)
Cash and cash equivalents at the beginning of the financial year		417,809	502,737
Cash and cash equivalents at the end of the financial year	9	284,346	417,809

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Western Port 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 2 High Street, Hastings VIC 3915.

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 3 October 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.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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.

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.

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

Note 5. Economic dependency

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in June 2028.

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 Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

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

Note 6. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	1,176,904	1,142,892
Fee income	35,569	42,037
Commission income	60,108	57,977
ATM income	6,386	7,116
	<u>1,278,967</u>	<u>1,250,022</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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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 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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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	491,471	556,296
Superannuation contributions	55,639	55,711
Expenses related to long service leave	3,387	(4,516)
Other expenses	16,709	13,913
	<u>567,206</u>	<u>621,404</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	7,312	9,628
Plant and equipment	4,612	959
Furniture and fittings	1,640	2,139
Computer equipment	4	10
Motor vehicles	5,288	7,051
	<u>18,856</u>	<u>19,787</u>

Depreciation of right-of-use assets

Leased land and buildings	<u>37,637</u>	<u>36,340</u>
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Amortisation of intangible assets

Franchise fee	2,324	2,323
Franchise renewal fee	11,617	11,616
	<u>13,941</u>	<u>13,939</u>
	<u>70,434</u>	<u>70,066</u>

Finance costs

	2025 \$	2024 \$
Lease interest expense	24,854	26,095
Unwinding of make-good provision	965	902
	<u>25,819</u>	<u>26,997</u>

Leases recognition exemption

	2025 \$	2024 \$
Expenses relating to low-value leases	<u>11,407</u>	<u>8,957</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	121,788	138,101
Contribution to the Community Enterprise Foundation™	-	250,000
	<u>121,788</u>	<u>388,101</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).

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

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

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense/(benefit)</i>		
Current tax	76,161	-
Movement in deferred tax	(3,471)	(5,721)
Recoupment of prior year tax losses	6,184	-
Future income tax benefit attributable to losses	-	(2,659)
Aggregate income tax expense/(benefit)	<u>78,874</u>	<u>(8,380)</u>
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax (expense)/benefit	<u>315,496</u>	<u>(33,714)</u>
Tax at the statutory tax rate of 25%	78,874	(8,429)
Tax effect of:		
Non-deductible expenses	-	49
Income tax expense/(benefit)	<u>78,874</u>	<u>(8,380)</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	-	6,184
Employee benefits	7,793	6,540
Lease liabilities	87,397	92,136
Provision for lease make good	3,570	3,328
Accrued expenses	590	988
Income accruals	(730)	-
Right-of-use assets	(78,272)	(84,688)
Property, plant and equipment	(4,123)	(5,550)
Deferred tax asset	<u>16,225</u>	<u>18,938</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2025 \$	2024 \$
Provision for income tax	76,161	-

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	284,346	417,809

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	87,799	93,240
Accrued income	2,922	-
Prepayments	8,895	-
	11,817	-
	99,616	93,240

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 11. Investments

	2025 \$	2024 \$
Current assets		
Investment account	400,000	-

Notes to the financial statements (continued)

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	328,741	313,361
Less: Accumulated depreciation	(291,411)	(284,099)
	<u>37,330</u>	<u>29,262</u>
Plant and equipment - at cost	22,817	6,144
Less: Accumulated depreciation	(8,671)	(4,059)
	<u>14,146</u>	<u>2,085</u>
Furniture and fittings - at cost	15,962	12,679
Less: Accumulated depreciation	(6,409)	(4,769)
	<u>9,553</u>	<u>7,910</u>
Motor vehicles - at cost	28,636	28,636
Less: Accumulated depreciation	(12,771)	(7,483)
	<u>15,865</u>	<u>21,153</u>
Computer equipment - at cost	3,307	3,307
Less: Accumulated depreciation	(3,302)	(3,298)
	<u>5</u>	<u>9</u>
	<u><u>76,899</u></u>	<u><u>60,419</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 \$	Furniture and fittings \$	Computer equipment \$	Motor vehicle \$	Total \$
Balance at 1 July 2023	38,890	3,044	780	19	28,204	70,937
Additions	-	-	9,269	-	-	9,269
Depreciation	(9,628)	(959)	(2,139)	(10)	(7,051)	(19,787)
Balance at 30 June 2024	29,262	2,085	7,910	9	21,153	60,419
Additions	15,380	16,673	3,283	-	-	35,336
Depreciation	(7,312)	(4,612)	(1,640)	(4)	(5,288)	(18,856)
Balance at 30 June 2025	<u>37,330</u>	<u>14,146</u>	<u>9,553</u>	<u>5</u>	<u>15,865</u>	<u>76,899</u>

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	5 to 20 years
Plant and equipment	5 years
Furniture, fixtures and fittings	2 to 5 years
Computer equipment	2 years
Motor vehicle	4 years

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

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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

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

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	551,747	539,775
Less: Accumulated depreciation	(238,661)	(201,024)
	<u>313,086</u>	<u>338,751</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	358,589
Remeasurement adjustments	16,502
Depreciation expense	<u>(36,340)</u>
Balance at 30 June 2024	338,751
Additions	11,972
Depreciation expense	<u>(37,637)</u>
Balance at 30 June 2025	<u>313,086</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	44,171	44,171
Less: Accumulated amortisation	(37,202)	(34,878)
	<u>6,969</u>	<u>9,293</u>
Franchise renewal fee	170,859	170,859
Less: Accumulated amortisation	(136,010)	(124,393)
	<u>34,849</u>	<u>46,466</u>
	<u>41,818</u>	<u>55,759</u>

Notes to the financial statements (continued)

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	11,616	58,082	69,698
Amortisation expense	(2,323)	(11,616)	(13,939)
Balance at 30 June 2024	9,293	46,466	55,759
Amortisation expense	(2,324)	(11,617)	(13,941)
Balance at 30 June 2025	6,969	34,849	41,818

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2028

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	-	1,100
Other payables and accruals	71,011	48,561
	<u>71,011</u>	<u>49,661</u>
<i>Non-current liabilities</i>		
Other payables and accruals	15,334	30,667
	<u>15,334</u>	<u>30,667</u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	86,345	80,328
Less GST refundable from / (payable to) the ATO, included in trade and other payables	(23,917)	3,615
	<u>62,428</u>	<u>83,943</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	55,485	53,609
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	294,104	314,935
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	368,544	377,366
Remeasurement adjustments	11,972	19,090
Lease interest expense	24,854	26,095
Lease payments - total cash outflow	(55,781)	(54,007)
	349,589	368,544

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
Hastings branch	7.25%	5 years	1 x 5 years	Yes	June 2033

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	781,762	781,762	781,762	781,762
Less: Equity raising costs	-	-	(11,864)	(11,864)
	781,762	781,762	769,898	769,898

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.

Notes to the financial statements (continued)

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 190. As at the date of this report, the company had 198 shareholders (2024: 201 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.

Notes to the financial statements (continued)

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. Dividends

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

	2025 \$	2024 \$
Unfranked dividend of 7 cents per share (2024: 7 cents)	<u>54,723</u>	<u>54,723</u>

Accounting policy for dividends

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

Note 20. 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.

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

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 10)	90,721	93,240
Cash and cash equivalents (note 9)	284,346	417,809
	<u>375,067</u>	<u>511,049</u>
Financial assets at fair value through profit and loss		
Investments (note 11)	<u>400,000</u>	<u>-</u>
Financial liabilities		
Trade and other payables (note 15)	62,428	83,943
Lease liabilities (note 16)	349,589	368,544
	<u>412,017</u>	<u>452,487</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

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.

Notes to the financial statements (continued)

Note 20. 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. The company held cash and cash equivalents of \$284,346 and investments of \$400,000 at 30 June 2025 (2024: \$417,809 and nil).

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.

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	47,094	15,334	-	62,428
Lease liabilities	57,566	230,263	168,700	456,529
Total non-derivatives	104,660	245,597	168,700	518,957
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	53,276	30,667	-	83,943
Lease liabilities	55,619	222,477	218,614	496,710
Total non-derivatives	108,895	253,144	218,614	580,653

Notes to the financial statements (continued)

Note 21. Key management personnel disclosures

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

Andrew Venturini
Alice Victoria Hughes
Jason Shaun Dowler
Trevor Donald Coleman
Alexandra Kabuschat
Amy Campion

Lisa Jane Dixon
Andrew Paul Iredale
Stephen Robert Dowling
John Thomas Crough
Victor Charles Rodwell OAM

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	35,000	45,000

Compensation of the company's key management personnel includes salaries paid to directors.

Note 22. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

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

Note 23. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	9,850	6,650
<i>Other services</i>		
General advisory services	3,590	3,720
Share registry services	4,841	4,451
	8,431	8,171
	18,281	14,821

Notes to the financial statements (continued)

Note 24. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit/(loss) after income tax (expense)/benefit for the year	236,622	(25,334)
Adjustments for:		
Depreciation and amortisation	70,434	70,066
Lease liabilities interest	24,854	26,095
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(7,769)	32,074
Decrease/(increase) in deferred tax assets	2,713	(8,380)
Increase/(decrease) in trade and other payables	21,350	(51,045)
Increase in provision for income tax	76,161	-
Increase in employee benefits	987	2,633
Increase in other provisions	965	902
Net cash provided by operating activities	<u>426,317</u>	<u>47,011</u>

Note 25. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	<u>236,622</u>	<u>(25,334)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>781,762</u>	<u>781,762</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>781,762</u>	<u>781,762</u>
	Cents	Cents
Basic earnings per share	30.27	(3.24)
Diluted earnings per share	30.27	(3.24)

Accounting policy for earnings per share

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

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

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

Directors' declaration

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



Amy Campion
Director

3 October 2025

Independent audit report



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 Western Port Community Enterprises Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Western Port 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 Western Port 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
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03 5443 0344

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 3 October 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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