

Annual Report 2025

Whitsunday Community
Enterprises Limited

Community Bank
Cannonvale-Proserpine
ABN 39 150 376 435

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Chair's report

For year ending 30 June 2025

When I reflect on my words from 12 months ago, it is pleasing to see that our thoughts for the 2024-2025 year were on the right track and in fact have been even more encouraging – the Branch continues to grow and thrive and our profits before tax exceeded our forecasts.

In addition to our day-to-day activities, it was found that through an accounting error dating back to May 2020, the company had been underclaiming GST refunds on a quarterly basis for several years. Once confirmed, adjustments over the past 5 years resulted in a bulk GST refund of approx. \$125,600 (received July'25).

This extinguished our need for Overdraft and added to our record annual profits, the company is in an excellent financial position to continue growing well into the future.

I am pleased to advise that Dr. Julia Evans has accepted the appointment as an additional Director and will continue to provide Secretarial services to the Board. This has provided additional strength to the Board members, all of whom have had a much higher and ongoing visibility in the community, promoting your Community Bank.

Our Branch team, lead by our Branch Manager, Amanda Anderson, has continued to be effective and helpful in providing the Bendigo banking services and products while spending time with our customers, some of whom find the continuing move to digital banking frustrating and at times a bit scary.

For good or not so good, this continued move to 'Apps' on phones and computers, will continue to evolve across all facets of our lives – it is becoming a necessity to have and use a 'smart phone' and/or computer in communicating with most Government departments. Bendigo Bank is a leader in digital development.

As a comment on the Board activities, I remind you that Board members have absolutely no knowledge of the Banking activities of the Branch other than financial reporting. This is strictly managed, and we would only know if you bank with the Branch if you told us – your banking activities with Bendigo are totally confidential.

And finally, a genuine thanks to those shareholders who conduct some banking with our Branch; a genuine thanks to our Board members; and a heartfelt thanks to our Branch team.



Mark Henry
Chair

Manager's report

For year ending 30 June 2025

This year marks my first full year as Branch Manager, and it has been a period of growth and progress. Over the past 12 months, we've seen strong growth in lending, customer numbers, and business banking activity, while also investing in upskilling our team.

A highlight was hosting Bendigo Bank's Chief Economist, David Robertson, who presented at two well-attended events in Cannon Valley and Proserpine, sharing his valuable economic insights.

Looking ahead, we will continue to review customer banking needs while placing a strong focus on building financial and digital literacy. Our goal is to help customers achieve their financial aspirations and to further strengthen the Branch's role as a trusted partner in the Whitsundays.

One of the major reasons the Branch team and our customers chose Community Bank Cannonvale-Proserpine is to be part of an organisation that is so involved and invested in the local community.

The Branch sincerely thanks shareholder (and former Director) John Penhallurick, for his tireless efforts in coordinating our trailer.

This year, Branch team members Chantelle, Danica, and Kareen concluded their time with us to pursue new opportunities. We thank them for their contributions and wish them well in their future endeavours.

I wish to personally thank the current Branch team for their hard work and caring for our customers – Natasha, Kylie and Jade. Together we are the team providing face-to-face full banking service with lenders and bankers, open 9:30am-4:00pm Monday to Friday.

We also acknowledge and thank our Bendigo Regional Manager, Tim Evans, and Bendigo's business bankers Harriet McLennan and Luke Sheppard who are regularly in the Whitsundays.

Finally, a vote of thanks to our Board of Directors for their support and patience while I navigated all the learnings that come with starting in a new business.

We invite our shareholders and their networks to bank with us.

Amanda Anderson
Branch Manager

This year, we have supported these organisations with sponsorship and our BBQ Community Trailer:

Airlie Beach Football Club
Airlie Beach Triathlon
Canegrowers Proserpine
Cannonvale Cannons Swim Club
Cannonvalley Pony Club
Creative Connections Whitsunday (Rock Wallaby Festival & Great Barrier Reef Festival)
Outrigger Whitsunday Regatta
Proserpine Junior Cricket
Proserpine Junior Rugby League
Proserpine Junior Rugby League's Paul Bowman Challenge
Proserpine State High School musical
Proserpine Whitsunday Rugby League (Brahmans)
Proserpine Whitsunday Rugby Union (Raiders)
Show Whitsunday
Tourism Whitsunday Awards
Whitsunday Australian Rules Football (Sea Eagles)
Whitsunday Dirt Riders
Whitsunday Moto Sports – Karting
Whitsunday Netball Association
Whitsunday Old Iron Restorers Club
Whitsunday Regional Council Australia Day Award
Whitsunday Running Club
Whitsunday Swimming Club
Whitsunday United Football Club
Whitsundays Chamber of Commerce and Industry
Whitsundays Got Talent
Whitsundays Writers Festival
Women's Legal Service (Epic Walk)

Bendigo and Adelaide Bank report

For year ending 30 June 2025

This year marks another significant chapter in our shared journey, one defined by **adaptation, collaboration, and remarkable achievements**. I'm immensely proud of our collective progress and the unwavering commitment demonstrated by our combined networks.

We began 2025 with a renewed focus on **model evolution**, a top priority that guided our decisions and initiatives throughout the year. This involved navigating the Franchising Code and broader regulatory changes to the **Franchise Agreement**. Thanks to the network's proactive engagement and cooperation, we successfully reviewed the agreement, and the necessary changes were implemented smoothly.

Beyond the operational successes, I want to highlight the **invaluable contributions** our Community Banks continue to make to their local communities. The dedication and commitment to supporting local initiatives remain a cornerstone of our combined success and a source of immense pride for Bendigo Bank.

In FY25, more than \$50 million was invested in local communities, adding to a total of \$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

Community Bank National Council report

For year ending 30 June 2025



A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits.

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1,500+ volunteer Directors, 1,700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and Directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months. Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formally certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

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:	Mark Clifford Henry
Title:	Non-executive director
Experience and expertise:	Mark has over 30 years direct experience in general and financial management in the small and medium business sector. Business qualifications include Master of Business Administration (Bond) and Fellow of the Institute of Public Accountants. Mark has 12 years' experience in Community Banking - 5 years at Varsity Lakes as a Director and Chair, joining the Whitsunday Community Enterprises in 2018, as Chair for the past 6 years. Locally Mark also volunteers as Treasurer for Volunteer Marine Rescue Whitsundays Inc.
Special responsibilities:	Chair
Name:	Krystine Margaret Halsey
Title:	Non-executive director
Experience and expertise:	Retired. Worked as a conveyancing clerk in Darwin before moving to the Whitsundays in 1987 where she married and had two children, and has worked in the family business as an office administrator. Has also worked as a book keeper in a part time capacity for many years. Has held a Treasurer position for a local sporting club.
Special responsibilities:	Treasurer
Name:	Ross Percy David Hughes
Title:	Non-executive director
Experience and expertise:	Retired teacher. Diploma of teaching – Primary school teacher and deputy principal (36 years). School and Community Leadership positions: Educational administrator (27 years); Member- Proserpine Community Centre Management Committee; Life member – Proserpine State School P&C Association; Pianist/Organist at Proserpine Whitsunday Uniting and Anglican Churches; Member/Organist/Treasurer of Masonic Lodges in Nth QLD; Member – Whitsunday Friends of the Theatre; Musician in community choir; Whitsunday Regional Council citizen of the year 2013.
Special responsibilities:	Member of Market Development Fund (MDF) Committee - Community Engagement
Name:	Caitlyn Maree Fleming
Title:	Non-executive director
Experience and expertise:	Caitlyn is an accomplished business professional with over two decades experience spanning sales, marketing and industry development, particularly within the tourism sector. As owner of a small business, she specialises in distilling complex corporate strategies into practical, easy to implement systems for small and micro business. She holds a Diploma of Business and certificates in Bookkeeping and Project Management.
Special responsibilities:	Company secretary
Name:	Brendon Wasley Nothard
Title:	Non-executive director (<i>appointed 9 October 2024</i>)
Experience and expertise:	Brendon has a Master of Science (Agricultural Economics). He is a manager of Canegrowers Proserpine secretary on four agricultural boards. Previously he was a senior economist at QLD Department of Primary Industry. Brendon also holds over 10 years of management experience and 5 years' experience in the banking industry.
Special responsibilities:	Nil
Name:	Suzanne Maree Birch
Title:	Non-executive director (<i>appointed 28 January 2025, resigned 31 January 2025</i>)

Directors' report (continued)

Name:	Kim Maree Porter
Title:	Non-executive director (<i>resigned 30 July 2024</i>)
Experience and expertise:	Kim holds a bachelor of business. Kim is a Manager at Humminbird Refrigeration, Electrical & Air Conditioning (2015 to current) and Practice Manager/Accounts with Bogie & Co, Solicitors (2015 to current). Kim is the Chair of Community Heart Project (activity of Proserpine Whitsunday Uniting Church) (2023 to current) and previously a Board Member for Whitsunday Coast Chamber of Commerce (2022 to 29/05/2024).
Special responsibilities:	Nil.

Company secretary

The company secretary is Caitlyn Maree Fleming. Caitlyn was appointed to the position of company secretary on 1 January 2022.

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 \$71,197 (2024: loss of \$16,529).

Operations have continued to perform in line with expectations in what were challenging market conditions for most of the financial year.

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 nil cents per share (2024: 4 cents)	-	32,001

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Directors' report (continued)

Meetings of directors

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

	Board	
	Eligible	Attended
Mark Clifford Henry	9	8
Krystine Margaret Halsey	9	8
Ross Percy David Hughes	9	7
Caitlyn Maree Fleming	9	9
Brendon Wasley Nothard	6	5
Suzzanne Maree Birch	-	-
Kim Maree Porter	-	-

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 and note 22 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Mark Clifford Henry	1,501	-	1,501
Krystine Margaret Halsey	6,052	-	6,052
Ross Percy David Hughes	-	-	-
Caitlyn Maree Fleming	2,000	4,000	6,000
Brendon Wasley Nothard	-	-	-
Suzzanne Maree Birch	-	-	-
Kim Maree Porter	-	-	-

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' report (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 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:

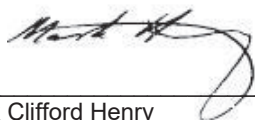
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional 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



Mark Clifford Henry
Chair

22 September 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 Whitsunday Community Enterprises Limited

As lead auditor for the audit of Whitsunday 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: 22 September 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Financial statements

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	7	644,177	583,740
Finance revenue		34	96
Total revenue		<u>644,211</u>	<u>583,836</u>
Employee benefits expense	8	(339,202)	(342,475)
Advertising and marketing costs		(8,899)	(6,483)
Occupancy and associated costs		(13,599)	(16,676)
System costs		(19,070)	(16,186)
Depreciation and amortisation expense	8	(69,953)	(76,864)
Impairment of assets	8	-	(21,618)
Finance costs	8	(7,341)	(9,605)
General administration expenses		(61,366)	(79,239)
Total expenses before community contributions and income tax expense		<u>(519,430)</u>	<u>(569,146)</u>
Profit before community contributions and income tax expense		124,781	14,690
Charitable donations, sponsorships and grants expense		<u>(29,818)</u>	<u>(29,523)</u>
Profit/(loss) before income tax expense		94,963	(14,833)
Income tax expense	9	<u>(23,766)</u>	<u>(1,696)</u>
Profit/(loss) after income tax expense for the year		71,197	(16,529)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>71,197</u></u>	<u><u>(16,529)</u></u>
		Cents	Cents
Basic earnings per share	25	8.90	(2.07)
Diluted earnings per share	25	8.90	(2.07)

Refer to note 6 for detailed information on Restatement of comparatives.

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

Financial statements (continued)

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

	Note	2025 \$	2024 \$	2023 \$
Assets				
Current assets				
Cash and cash equivalents	10	45,617	4,123	20,738
Trade and other receivables	11	147,825	105,796	81,816
Total current assets		<u>193,442</u>	<u>109,919</u>	<u>102,554</u>
Non-current assets				
Property, plant and equipment	12	71,215	86,964	112,928
Right-of-use assets	13	54,198	82,442	111,548
Intangible assets	14	24,422	37,853	82,031
Deferred tax assets	9	95,703	119,469	121,165
Total non-current assets		<u>245,538</u>	<u>326,728</u>	<u>427,672</u>
Total assets		<u>438,980</u>	<u>436,647</u>	<u>530,226</u>
Liabilities				
Current liabilities				
Trade and other payables	15	16,904	20,932	14,486
Borrowings		-	3,557	-
Lease liabilities	16	55,450	52,810	42,091
Total current liabilities		<u>72,354</u>	<u>77,299</u>	<u>56,577</u>
Non-current liabilities				
Trade and other payables	15	-	14,276	28,552
Lease liabilities	16	50,545	100,558	152,438
Provisions		7,235	6,865	6,480
Total non-current liabilities		<u>57,780</u>	<u>121,699</u>	<u>187,470</u>
Total liabilities		<u>130,134</u>	<u>198,998</u>	<u>244,047</u>
Net assets		<u>308,846</u>	<u>237,649</u>	<u>286,179</u>
Equity				
Issued capital	17	768,948	768,948	768,948
Accumulated losses		<u>(460,102)</u>	<u>(531,299)</u>	<u>(482,769)</u>
Total equity		<u>308,846</u>	<u>237,649</u>	<u>286,179</u>

Refer to note 6 for detailed information on Restatement of comparatives.

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

Financial statements (continued)

Whitsunday 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		768,948	(482,769)	286,179
Loss after income tax benefit		-	(16,529)	(16,529)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(16,529)	(16,529)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(32,001)	(32,001)
Balance at 30 June 2024		<u>768,948</u>	<u>(531,299)</u>	<u>237,649</u>
Balance at 1 July 2024		768,948	(531,299)	237,649
Profit after income tax expense		-	71,197	71,197
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	71,197	71,197
Balance at 30 June 2025		<u>768,948</u>	<u>(460,102)</u>	<u>308,846</u>

Refer to note 6 for detailed information on Restatement of comparatives.

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

Financial statements (continued)

Whitsunday 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)		698,036	651,395
Payments to suppliers and employees (inclusive of GST)		(573,168)	(575,032)
Interest received		34	96
Interest and other finance costs paid		(260)	(157)
Net cash provided by operating activities	24	<u>124,642</u>	<u>76,302</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(12,513)	-
Payments for intangible assets		<u>(12,978)</u>	<u>(12,978)</u>
Net cash used in investing activities		<u>(25,491)</u>	<u>(12,978)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(6,711)	(9,096)
Dividends paid	19	-	(32,001)
Repayment of lease liabilities		<u>(47,389)</u>	<u>(42,399)</u>
Net cash used in financing activities		<u>(54,100)</u>	<u>(83,496)</u>
Net increase/(decrease) in cash and cash equivalents		45,051	(20,172)
Cash and cash equivalents at the beginning of the financial year		<u>566</u>	<u>20,738</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>45,617</u></u>	<u><u>566</u></u>

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 Whitsunday 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 87A, 8-28 Galbraith Park Drive, Cannonvale QLD 4802.

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 22 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.

Notes to the financial statements (continued)

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 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.

Going concern

At each reporting date management must assess the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

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. The directors have applied significant judgement and concluded that they have a reasonable expectation that the company will be able to generate sufficient taxable profits in future reporting periods. Accordingly, the directors continue to recognise deferred tax assets in full at 30 June 2024.

Estimates and assumptions

Notes to the financial statements (continued)

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

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.

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 2027.

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.

Notes to the financial statements (continued)

Note 6. Restatement of comparatives

Restatement of comparatives

During the financial year, the company identified the following prior period error:

- GST on certain employment benefit expenses relating to seconded staff was not correctly claimed in prior years. As these amounts represented services provided by Bendigo Bank rather than direct wages, the company was entitled to input tax credits that were not recognised. This resulted in employment benefit expenses being overstated and profit (or loss) being understated in those periods.
- The overstatement of expenses also led to a corresponding understatement of taxable income. Although no current tax was payable due to accumulated losses, the error affected the measurement of carried-forward tax losses and the related deferred tax balances.

The error has been corrected by restating the comparative figures, with adjustments made to employment benefit expenses, profit (or loss), and deferred tax balances as appropriate.

Statement of profit or loss and other comprehensive income

Extract	2024 \$ Reported	\$ Adjustment	2024 \$ Restated
Employee benefits expense	(377,085)	34,610	(342,475)
Loss before income tax benefit/(expense)	(49,443)	34,610	(14,833)
Income tax benefit/(expense)	8,002	(9,698)	(1,696)
Loss after income tax expense for the year	(41,441)	24,912	(16,529)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	<u>(41,441)</u>	<u>24,912</u>	<u>(16,529)</u>
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(5.18)	3.11	(2.07)
Diluted earnings per share	(5.18)	3.11	(2.07)

Notes to the financial statements (continued)

Note 6. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

Extract	2023 \$ Reported	\$ Adjustment	2023 \$ Restated
Assets			
Current assets			
Trade and other receivables	20,774	61,042	81,816
Total current assets	41,512	61,042	102,554
Non-current assets			
Deferred tax assets	137,183	(16,018)	121,165
Total non-current assets	443,690	(16,018)	427,672
Total assets	485,202	45,024	530,226
Liabilities			
Current liabilities			
Trade and other payables	21,699	(7,213)	14,486
Total current liabilities	63,790	(7,213)	56,577
Total liabilities	251,260	(7,213)	244,047
Net assets	233,942	52,237	286,179
Equity			
Accumulated losses	(535,006)	52,237	(482,769)
Total equity	233,942	52,237	286,179

Notes to the financial statements (continued)

Note 6. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2024 \$ Reported	\$ Adjustment	2024 \$ Restated
Assets			
Current assets			
Trade and other receivables	11,493	94,303	105,796
Total current assets	15,616	94,303	109,919
Non-current assets			
Deferred tax assets	145,185	(25,716)	119,469
Total non-current assets	352,444	(25,716)	326,728
Total assets	368,060	68,587	436,647
Liabilities			
Current liabilities			
Trade and other payables	29,494	(8,562)	20,932
Total current liabilities	85,861	(8,562)	77,299
Total liabilities	207,560	(8,562)	198,998
Net assets	160,500	77,149	237,649
Equity			
Accumulated losses	(608,448)	77,149	(531,299)
Total equity	160,500	77,149	237,649

Note 7. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	549,273	499,654
Fee income	33,143	30,995
Commission income	61,761	53,091
	644,177	583,740

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:

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

<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.

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.

Notes to the financial statements (continued)

Note 8. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	273,213	271,577
Non-cash benefits	3,608	5,432
Superannuation contributions	30,332	30,502
Expenses related to long service leave	3,017	2,175
Other expenses	29,032	32,789
	<u>339,202</u>	<u>342,475</u>

Accounting policy for employee benefits

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

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	22,089	19,020
Plant and equipment	2,764	3,534
Motor vehicles	3,409	3,410
	<u>28,262</u>	<u>25,964</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	28,260	28,340
<i>Amortisation of intangible assets</i>		
Franchise fee	2,239	3,760
Franchise renewal fee	11,192	18,800
	<u>13,431</u>	<u>22,560</u>
	<u>69,953</u>	<u>76,864</u>

Impairment losses

	2025 \$	2024 \$
Rights to revenue share	-	21,618

Finance costs

	2025 \$	2024 \$
Bank overdraft interest paid or accrued	260	157
Lease interest expense	6,711	9,096
Unwinding of make-good provision	370	352
	<u>7,341</u>	<u>9,605</u>

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Recognition exemption

	2025 \$	2024 \$
Expenses relating to low-value leases	6,515	4,860

Note 9. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Movement in deferred tax	1,237	1,696
Recoupment of prior year tax losses	22,529	-
Aggregate income tax expense	23,766	1,696
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax expense	94,963	(14,833)
Tax at the statutory tax rate of 25%	23,741	(3,708)
Tax effect of:		
Fines and penalties	25	-
Non-deductible impairment expenses	-	5,404
Income tax expense	23,766	1,696
	2025 \$	2024 \$
<i>Deferred tax assets / (liabilities)</i>		
Carried-forward tax losses	85,719	108,249
Provision for lease make good	1,809	1,716
Lease liabilities	26,499	38,342
Right-of-use assets	(13,549)	(20,610)
Property, plant and equipment	(4,775)	(8,228)
Deferred tax asset	95,703	119,469

Accounting policy for income tax

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

Accounting policy for deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Refer to note 4 for further information.

Notes to the financial statements (continued)

Note 10. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	45,617	4,123

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	45,617	4,123
Bank overdraft	-	(3,557)
Balance as per statement of cash flows	45,617	566

Note 11. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	14,958	4,399
Other receivables and accruals	125,629	94,303
Prepayments	7,238	7,094
	132,867	101,397
	147,825	105,796

	2025 \$	2024 \$
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	147,825	105,796
Less GST refundable from the ATO included in trade and other receivables	(125,629)	(94,303)
Less prepayments	(7,238)	(7,094)
	14,958	4,399

Accounting policy for trade and other receivables

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

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	203,630	192,111
Less: Accumulated depreciation	(151,348)	(129,259)
	52,282	62,852
Plant and equipment - at cost	52,897	51,903
Less: Accumulated depreciation	(41,110)	(38,346)
	11,787	13,557
Motor vehicles - at cost	27,278	27,278
Less: Accumulated depreciation	(20,132)	(16,723)
	7,146	10,555
	71,215	86,964

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	81,872	17,091	13,965	112,928
Depreciation	(19,020)	(3,534)	(3,410)	(25,964)
Balance at 30 June 2024	62,852	13,557	10,555	86,964
Additions	11,519	994	-	12,513
Depreciation	(22,089)	(2,764)	(3,409)	(28,262)
Balance at 30 June 2025	<u>52,282</u>	<u>11,787</u>	<u>7,146</u>	<u>71,215</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 straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	4 to 15 years
Plant and equipment	1 to 40 years
Motor vehicles	8 years

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

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

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

Note 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	225,607	225,591
Less: Accumulated depreciation	<u>(171,409)</u>	<u>(143,149)</u>
	<u>54,198</u>	<u>82,442</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	111,548
Remeasurement adjustments	(766)
Depreciation expense	<u>(28,340)</u>
Balance at 30 June 2024	82,442
Remeasurement adjustments	16
Depreciation expense	<u>(28,260)</u>
Balance at 30 June 2025	<u>54,198</u>

Notes to the financial statements (continued)

Note 13. Right-of-use assets (continued)

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	32,007	32,007
Less: Accumulated amortisation	(27,937)	(25,698)
	<u>4,070</u>	<u>6,309</u>
Franchise renewal fee	110,036	110,036
Less: Accumulated amortisation	(89,684)	(78,492)
	<u>20,352</u>	<u>31,544</u>
	<u><u>24,422</u></u>	<u><u>37,853</u></u>

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

	Rights to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	21,618	10,069	50,344	82,031
Impairment of assets	(21,618)	-	-	(21,618)
Amortisation expense	-	(3,760)	(18,800)	(22,560)
Balance at 30 June 2024	-	6,309	31,544	37,853
Amortisation expense	-	(2,239)	(11,192)	(13,431)
Balance at 30 June 2025	<u>-</u>	<u>4,070</u>	<u>20,352</u>	<u>24,422</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.

Right to revenue shares acquired were recognised at cost at the date of acquisition and were assessed as having indefinite useful life. They were tested for impairment at each reporting period and 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 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2027

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

Notes to the financial statements (continued)

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	2,628	6,654
Other payables and accruals	14,276	14,278
	<u>16,904</u>	<u>20,932</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,276

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Property lease liabilities	<u>55,450</u>	<u>52,810</u>
<i>Non-current liabilities</i>		
Property lease liabilities	<u>50,545</u>	<u>100,558</u>
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	153,368	194,529
Remeasurement adjustments	16	1,238
Lease interest expense	6,711	9,096
Lease payments - total cash outflow	<u>(54,100)</u>	<u>(51,495)</u>
	<u>105,995</u>	<u>153,368</u>

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
Cannonvale & Prosperine Branch	5.39%	5 years	N/A	N/A	May 2027

Notes to the financial statements (continued)

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	800,013	800,013	800,014	800,013
Less: Equity raising costs	-	-	(31,066)	(31,065)
	<u>800,013</u>	<u>800,013</u>	<u>768,948</u>	<u>768,948</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 160. As at the date of this report, the company had 170 shareholders (2024: 172 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.

Notes to the financial statements (continued)

Note 17. Issued capital (continued)

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

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

Note 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

Dividends declared and paid during the year

The following dividends were declared during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2025 \$	2024 \$
Unfranked dividend of nil cents per share (2024: 4 cents)	-	32,001

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, lease liabilities and borrowings. 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.

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

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables (note 11)	14,958	4,399
Cash and cash equivalents (note 10)	45,617	4,123
	<u>60,575</u>	<u>8,522</u>
Financial liabilities		
Trade and other payables (note 15)	16,904	35,208
Lease liabilities (note 16)	105,995	153,368
Borrowings	-	3,557
	<u>122,899</u>	<u>192,133</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 at amortised cost.

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

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

Derecognition

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

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.

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

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 \$45,617 at 30 June 2025 (2024: \$4,123).

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	16,904	-	-	16,904
Lease liabilities	56,805	54,448	-	111,253
Total non-derivatives	73,709	54,448	-	128,157
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Bank overdraft	3,557	-	-	3,557
Trade and other payables	20,932	14,276	-	35,208
Lease liabilities	54,100	111,345	-	165,445
Total non-derivatives	78,589	125,621	-	204,210

Note 21. Key management personnel disclosures

The following persons were directors of Whitsunday Community Enterprises Limited during the financial year and/or up to the date of signing of these financial statements.

Mark Clifford Henry
Krystine Margaret Halsey
Ross Percy David Hughes

Caitlyn Maree Fleming
Brendon Wasley Nothard
Suzanne Maree Birch

Compensation

Key management personnel compensation comprised the following:

	2025 \$	2024 \$
Short-term employee benefits	4,100	-

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

Notes to the financial statements (continued)

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

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company made sponsorships to community groups where company directors also are committee members.	200	3,418
The company utilised bookkeeping and secretarial services by Krystine and Caitlyn. The total benefit received was:	3,200	3,390

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	7,450	6,650
<i>Other services</i>		
Taxation advice and tax compliance services	265	700
General advisory services	3,040	4,005
Share registry services	4,470	3,876
	7,775	8,581
	15,225	15,231

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 for the year	71,197	(16,529)
Adjustments for:		
Depreciation and amortisation	69,953	76,864
Impairment	-	21,618
Lease liability interest	6,711	9,096
Change in operating assets and liabilities:		
Increase in trade and other receivables	(42,029)	(23,980)
Decrease in deferred tax assets	23,766	1,696
Increase/(decrease) in trade and other payables	(5,326)	7,185
Increase in other provisions	370	352
Net cash provided by operating activities	<u>124,642</u>	<u>76,302</u>

Note 25. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	<u>71,197</u>	<u>(16,529)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>800,013</u>	<u>800,013</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>800,013</u>	<u>800,013</u>
	Cents	Cents
Basic earnings per share	8.90	(2.07)
Diluted earnings per share	8.90	(2.07)

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

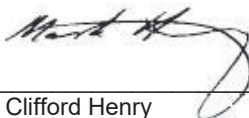
30 June 2025

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



Mark Clifford Henry
Chair

22 September 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 Whitsunday Community Enterprises Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Whitsunday 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 Whitsunday Community Enterprises Limited (the company), which comprises the:

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

Basis for opinion

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

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

Other information

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

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

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

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



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

Independence

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 22 September 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Community Bank · Cannonvale-Proserpine
Shop B7A Whitsunday Plaza, 8 Galbraith Park Drive,
Cannonvale QLD 4802
Phone: 07 4948 3599
Email: cannonvale&proserpinemailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/branch/qld/community-bank-cannonvale-proserpine

Franchisee: Whitsunday Community Enterprises Limited
ABN: 39 150 376 435

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au

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