

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Financial Statements

For the Year Ended 31 December 2025

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Contents

For the Year Ended 31 December 2025

Financial Statements	Page
Directors' Report	1
Directors' Declaration	3
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Report	20
Independent Auditor's Disclaimer	22
Scholarship Fund Financial Report	23
Building Fund Financial Report	24

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Directors' Report

For the Year Ended 31 December 2025

Your Directors submit the financial statements of Sandybeach Community Co-operative Society Ltd ("the Co-operative") for the financial period ended 31 December 2025.

Directors

The names of Directors at the date of this report and for the full year unless indicated otherwise are:

Sue Coburn
Peter Bean
Ian Cochrane

Rajah Ramanathan
Hilary Buxton

Principal Activities

The principal activities of the Co-operative during the financial year were the fostering of post-compulsory education, training and employment within the community and better adapting of post-compulsory education and training to community needs.

Operating Result

The loss for the year amounted to \$243,671 (2024: loss \$236,996).

Significant Changes and State of Affairs

There were no significant changes in the state of affairs of the Co-operative other than those referred to in the accounts and notes thereto.

Matters Arising Since the End of the Financial Year

Since the end of the financial year, no matters or circumstances have significantly affected or may significantly affect the operations of the Co-operative, the result of its operations or the state of affairs of the Co-operative in future financial years.

Dividends

The Co-operative's Constitution precludes it from paying dividends to its members. Surplus funds are to be applied in the promotion of the Co-operative's objectives.

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Directors' Report (Continued)

For the Year Ended 31 December 2025

Directors' Benefits

Since the end of the previous financial year no Directors of the Co-operative have received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements.

Directors' & Auditor's Indemnification

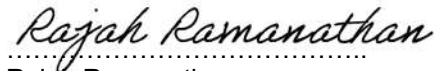
The Co-operative has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

All Directors of the Co-operative are covered by a Directors and Officers liability insurance policy. Due to a confidentiality clause in the policy, the Co-operative is unable to disclose the nature of these liabilities and the amount of premiums paid.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* can be found on page 4 following this report.

Signed in accordance with a resolution of the Directors:



.....
Rajah Ramanathan
Chair



.....
Hilary Buxton
Board Member

Dated this 24th day of March 2026

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Directors' Declaration For the Year Ended 31 December 2025

In the directors' opinion:

- the Co-operative is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare and distribute financial statements to the members of Sandybeach Community Co-operative Society Ltd.
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Co-operative's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

On behalf of the directors



Rajah Ramanathan
Chair



Hilary Buxton
Board Member

Dated this 24th day of March 2026



PENINSULA AUDIT

Peninsula Audit Pty Ltd
Certified Practising Accountant, Authorised Audit Company
ABN: 89 154 680 190

Auditor's Independence Declaration

To the Sandybeach Community Co-operative Society Ltd,

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, as lead auditor for the audit of Sandybeach Community Co-operative Society Ltd for the year ended 31 December 2025, we declare that, to the best of our knowledge and belief, there have been:

- i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit, and;
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Mornington on the 24th of March 2026

Peninsula Audit Pty Ltd
Certified Practising Accountant
Authorised Audit Company No 415478
3/33 Milgate Drive Mornington 3931, PO Box 293 Mt Martha Victoria 3934
Telephone (03) 5939 4944
Email – davids@peninsulaaudit.com.au

David A Szepefalussy
Director



Peninsula Audit Pty
Ltd is a CPA
Practice

3/33 Milgate Drive, Mornington Victoria 3931
P. O. Box 293, Mount Martha Victoria 3934
T: (03) 5939 4944
E: davids@peninsulaaudit.com.au W: www.peninsulaaudit.com.au

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Continuing Operations			
Revenue			
Grants revenue	3(a)	729,747	942,653
Local revenue	3(b)	265,338	269,070
Total Revenue		<u>995,085</u>	<u>1,211,723</u>
Less Expenses			
Advertising and promotion expenses		767	186
Depreciation and amortisation		51,311	45,991
Employee benefits expenses		1,008,502	1,202,825
Grant & program delivery costs		4,473	4,502
Occupancy expenses		582	632
Office and administration expenses		163,787	187,118
Professional fees		7,200	6,550
Other Expenses		2,134	915
Total Expenses		<u>1,238,756</u>	<u>1,448,719</u>
Operating Profit / (Loss) From Continuing Operations		<u>(243,671)</u>	<u>(236,996)</u>
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Total Comprehensive Income / (Loss)		<u><u>(243,671)</u></u>	<u><u>(236,996)</u></u>

The Accompanying Notes Form Part Of These Financial Statements

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Statement of Financial Position

As At 31 December 2025

	Note	2025 \$	2024 \$
Current Assets			
Cash and Cash Equivalents	4	51,510	115,102
Trade and Other Receivables	5	3,294	2,056
Other Assets	6	4,845	17,700
Total Current Assets		<u>59,649</u>	<u>134,858</u>
Non-Current Assets			
Financial Assets	7	2,000	2,000
Property, Plant & Equipment	8	1,270,439	1,318,244
Total Non-Current Assets		<u>1,272,439</u>	<u>1,320,244</u>
Total Assets		<u>1,332,088</u>	<u>1,455,102</u>
Current Liabilities			
Trade and Other Payables	9	130,504	71,599
Provision for Employee Entitlements	10	129,606	117,606
Other Liabilities	11	99,169	44,384
Total Current Liabilities		<u>359,279</u>	<u>233,589</u>
Non-Current Liabilities			
Provision for Employee Entitlements	10	13,473	18,507
Total Non-Current Liabilities		<u>13,473</u>	<u>18,507</u>
Total Liabilities		<u>372,752</u>	<u>252,096</u>
Net Assets		<u>959,336</u>	<u>1,203,006</u>
Equity			
Issued Capital	12	29	28
Reserves	13	721,233	721,233
Retained Earnings		238,074	481,745
Total Equity		<u>959,336</u>	<u>1,203,006</u>

The Accompanying Notes Form Part Of These Financial Statements

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Statement of Changes in Equity

For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Equity			
<i>Issued Capital</i>			
Balance at the Beginning of the Financial Year		28	29
Issued Capital		1	-
Capital redeemed (membership cancelled)		-	(1)
Balance at the End of the Financial Year		<u>29</u>	<u>28</u>
<i>Reserves</i>			
Balance at the Beginning of the Financial Year		721,233	721,233
Other Comprehensive Income		-	-
Balance at the End of the Financial Year		<u>721,233</u>	<u>721,233</u>
<i>Retained Earnings</i>			
Balance at the Beginning of the Financial Year		481,745	718,741
Profit / (Loss) From Continuing Operations		(243,671)	(236,996)
Balance at the End of the Financial Year		<u>238,074</u>	<u>481,745</u>
Total Equity		<u><u>959,336</u></u>	<u><u>1,203,006</u></u>

The Accompanying Notes Form Part Of These Financial Statements

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Statement of Cash Flows

For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Cash Flows from Operating Activities			
Receipts from donors, funding agencies and other sources		993,847	1,204,788
Payments to suppliers and employees		(1,053,934)	(1,563,334)
Interest Received		-	7,902
Net cash provided by / (used in) operating activities	15	<u>(60,087)</u>	<u>(350,644)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		<u>(3,506)</u>	<u>(106,645)</u>
Net cash provided by / (used in) investing activities		<u>(3,506)</u>	<u>(106,645)</u>
Cash Flows from Financing Activities			
Proceeds from issues of shares		<u>1</u>	<u>(1)</u>
Net cash provided by / (used in) financing activities		<u>1</u>	<u>(1)</u>
Net increase/(decrease) in cash held		(63,592)	(457,290)
Cash at the beginning of the year		115,102	572,392
Cash at the end of the year	4	<u><u>51,510</u></u>	<u><u>115,102</u></u>

The Accompanying Notes Form Part Of These Financial Statements

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 1: Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or Amended Accounting Standards and Interpretations Adopted

The Co-operative 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

In the Directors' opinion, the Co-operative is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Sandybeach Community Co-operative Society Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101: *Presentation of Financial Statements*, AASB 107: *Statement of Cash Flows*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB: 1048: *Interpretations of Standards* and AASB 1054: *Australian Additional Disclosures*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Co-operative's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 1: Material Accounting Policy Information (Continued)

a) Income Tax

The Co-operative is exempt under Division 50 of the Income Tax Assessment Act 1997 as a non-profit organisation. As such, no allowance has been made for Income Tax.

b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

d) Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from donors in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

e) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and any impairment in value. The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The carrying values of plant and equipment are also reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any impairment exists, the assets are written down to their recoverable amount and the loss recognised in the statement of comprehensive income.

The depreciable amount of all fixed assets including buildings are depreciated over their useful lives commencing from the time the asset is held ready for use. Rates of depreciation vary between 2.5% p.a. and 40% p.a.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

g) Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Co-operative during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 1: Material Accounting Policy Information (Continued)

h) Employee Entitlements

Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements.

Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i) Impairment of Assets

At the end of each reporting period, the Co-operative reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in results from Continuing Operations.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Co-operative would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Co-operative estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

j) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 1: Material Accounting Policy Information (Continued)

k) Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the Co-operative obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Co-operative and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Co-operative incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Co-operative receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

The Co-operative has elected to not apply AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-profit Entities* at this time.

Interest Income

Interest income is recognised using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 2: Critical Accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

a) Estimation of useful lives of assets

The Co-operative 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 technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

b) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Co-operative 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 Co-operative 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.

c) Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

	2025	2024
	\$	\$
Note 3: Revenue		
a. Grants revenue		
Grants revenue consists of the following:		
Adult, Community and Further Education	98,252	230,835
Victorian DHHS and Federal Dept of Health	507,681	493,208
City of Bayside	72,992	70,806
Other grants income	50,822	147,804
	<u>729,747</u>	<u>942,653</u>
b. Local revenue		
Local revenue consists of the following:		
Course Fees	241,808	235,965
Fundraising and Donations	4,033	1,121
Interest	-	7,902
Rent	13,716	13,038
Sundries	5,781	11,044
	<u>265,338</u>	<u>269,070</u>
Note 4: Cash and Cash Equivalents		
CURRENT		
Cash at Bank	51,210	114,802
Petty Cash	300	300
	<u>51,510</u>	<u>115,102</u>

Current liabilities of the Sandybeach Community Co-operative Society Ltd not recorded in the financial statements of the Co-operative were:

Scholarship Fund bank account balance of \$4,375 as at 31 December 2025 (2024: \$4,375)

Building Fund bank account balance of \$830 as at 31 December 2025 (2024: \$3,460).

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

	2025	2024
	\$	\$
Note 5: Trade and Other Receivables		
CURRENT		
Trade Receivables	3,294	2,056
	<u>3,294</u>	<u>2,056</u>
Provision for impairment of trade receivables		
The Co-operative has assessed impairment indicators within its trade debtors' population. Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts (if any) have been included in other expense items. There is a Provision for Doubtful Debts at 31 December 2025 of \$Nil (31 December 2024: \$Nil).		
Note 6: Other Assets		
CURRENT		
Prepayments	4,845	17,700
	<u>4,845</u>	<u>17,700</u>
Note 7: Financial Assets		
Sandringham Community Bank Shares	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
Note 8: Property, Plant & Equipment		
LEASEHOLD IMPROVEMENTS:		
Land and Buildings (at Valuation)	1,320,000	1,320,000
Less Accumulated Depreciation	(218,657)	(208,757)
	<u>1,101,343</u>	<u>1,111,243</u>
PLANT AND EQUIPMENT:		
Plant and Equipment (at Valuation)	453,206	449,700
Less Accumulated Depreciation	(358,731)	(337,680)
	<u>94,475</u>	<u>112,020</u>
MOTOR VEHICLES:		
Motor Vehicles (at Cost)	141,759	141,759
Less Accumulated Depreciation	(67,138)	(46,778)
	<u>74,621</u>	<u>94,981</u>
Total Property, Plant & Equipment	<u>1,270,439</u>	<u>1,318,244</u>

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 8: Property, Plant & Equipment (Continued)

Movements in Carrying Amounts

	Land and Buildings	Plant and Equipment	Motor Vehicles	Total
Balance at 1 January 2024	1,121,143	136,447	-	1,257,590
Additions	-	4,845	101,800	106,645
Disposals	-	-	-	-
Depreciation Expense	(9,900)	(29,272)	(6,819)	(45,991)
Balance at 31 December 2024	<u>1,111,243</u>	<u>112,020</u>	<u>94,981</u>	<u>1,318,244</u>
Additions	-	3,506	-	3,506
Disposals	-	-	-	-
Depreciation Expense	(9,900)	(21,051)	(20,360)	(51,311)
Carrying amount at 31 December 2025	<u><u>1,101,343</u></u>	<u><u>94,475</u></u>	<u><u>74,621</u></u>	<u><u>1,270,439</u></u>

(i) Land and Buildings was revalued in 2008 with an increase of \$564,453 based on an independent valuation.

(ii) Plant and Equipment was revalued in 1999 resulting in an increase of \$92,098. All additions since then are at cost less accumulated depreciation, calculated to write off all items over their useful life. Plant and Equipment and accumulated depreciation were adjusted in 2006 and 2007 after asset counts, giving a net increase in the Asset Revaluation Reserve of \$64,682.

(iii) Items costing less than \$300 have been written off in these accounts.

(iv) The Co-operative has reviewed the carrying values of property, plant and equipment, and consider that they continue to be appropriately measured and reflect the remaining useful life and ongoing economic value to the Co-operative.

(v) As at 31 December 2025, the Directors valued the Land and Buildings at \$1,900,000 on the basis of a contract of Sale entered into in March 2026. The Directors resolved not to bring this valuation to account in the books of the Co-operative. The profit on disposal will be recognized in the 2026 financial year.

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

	2025	2024
	\$	\$
Note 9: Trade and Other Payables		
CURRENT		
Trade Creditors	8,769	6,032
Accrued Expenses	8,895	7,276
GST and PAYG(W)	81,460	28,579
Superannuation Payable	31,262	29,193
Other Payables	118	519
	<u>130,504</u>	<u>71,599</u>
Note 10: Provision for Employee Entitlements		
CURRENT		
Employee benefits		
Annual leave	61,777	63,523
Long service leave	108,133	76,630
Less Current PLSL Receivable	(40,304)	(22,547)
	<u>129,606</u>	<u>117,606</u>
NON-CURRENT		
Employee benefits		
Long service leave	54,192	65,389
Less Non-Current PLSL Receivable	(40,719)	(46,882)
	<u>13,473</u>	<u>18,507</u>
	<u>143,079</u>	<u>136,113</u>
Note 11: Other Liabilities		
CURRENT		
Grants received in advance	54,949	38,157
Fees received in advance	-	1,314
Fundraising	4,913	4,913
Grant Repayable	39,307	-
	<u>99,169</u>	<u>44,384</u>
Note 12: Share Capital		
ISSUED CAPITAL		
28 (2025: 29) fully paid \$1 shares	<u>29</u>	<u>28</u>
	<u>29</u>	<u>28</u>

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

	2025	2024
	\$	\$
Note 13: Reserves		
Asset Revaluation Reserve	721,233	721,233
	<u>721,233</u>	<u>721,233</u>

As per Notes 8 (i) and 8 (ii) above, Land and Buildings was revalued in 2008 with an increase of \$564,453 based on an independent valuation. Plant and Equipment was revalued in 1999 resulting in an increase of \$92,098. Plant and Equipment and accumulated depreciation were adjusted in 2006 and 2007 after asset counts, further increasing the Asset Revaluation Reserve by \$64,682.

Note 14: Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Co-operative:

Audit services - Peninsula Audit Pty Ltd

Audit of the financial statements	6,500	6,000
	<u>6,500</u>	<u>6,000</u>

Note 15: Cash Flow Information

Reconciliation of Cash Flows from Operating Activities with Operating Profit / (Loss) From Continuing Operations

Operating Profit / (Loss) From Continuing Operations	(243,671)	(236,996)
Non Cash Flows in Operating Profit:		
Depreciation	51,311	45,991
Changes in Assets and Liabilities:		
(Increase)/Decrease in Trade and Other Receivables	(1,238)	967
(Increase)/Decrease in Other Assets	12,855	(4,552)
Increase/(Decrease) in Trade and Other Payables	58,905	(4,286)
Increase/(Decrease) in Provision for Employee Entitlements	6,966	(12,398)
Increase/(Decrease) in Other Liabilities	54,785	(139,370)
Cash Flows from Operating Activities	<u>(60,087)</u>	<u>(350,644)</u>

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Notes to the Financial Statements

For the Year Ended 31 December 2025

Note 16: Co-operative Details

The registered office and principal place of business of the Co-operative is:

Sandybeach Community Co-operative Society Ltd
2 Sims Street
SANDRINGHAM VIC 3191

Note 17: Material Uncertainty of Going Concern

The Co-operative incurred a net loss of \$243,671 for the year ended 31 December 2025 and, as at that date, total current liabilities exceeded total current assets by \$299,630. These conditions give rise to a material uncertainty that may cast significant doubt on the Co-operative's ability to continue as a going concern.

Management is actively addressing this uncertainty. In March 2026, the Co-operative has entered into a binding contract to dispose of their property for \$1.9m with a 3 year lease back clause for approximately \$149k which is to be prepaid 3 years in advance from the settlement proceeds. There are 2 further terms available of 3 years. This lease was fully executed on 23rd March 2026.

These sale proceeds will provide the Co-Operative a one off cash injection of approximately net \$1.4m. The deposit of \$190K was received on 18th March 2026. The balance of the proceeds will be settled on the 24th March 2026

In addition, the Co-operative is pursuing Public Benevolent Institution (PBI) and Deductible Gift Recipient (DGR) endorsement to enhance future grant and donation income and is implementing an operational restructure focused on cost reductions and improved efficiency.

The financial report has been prepared on a going concern basis on the assumption that these initiatives will be successfully realised.

Note 18: Events after the Reporting Period

Subsequent to year end, the organization has entered into a contract to dispose of their property for \$1,900,000 with a three year lease back clause. The deposit of \$190K was received on 18th March 2026. The balance of the proceeds will be settled on the 24th March 2026. The 3 year lease has been fully executed on the 23rd March 2026

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Co-operative's operations, the results of those operations, or the Co-operative's state of affairs in future financial years.

There have been no material non-adjusting events after the reporting date, nor has any information been received about conditions at reporting date that have not been included in this report.



**Independent Auditor's Report
To The Members Of Sandybeach Community Co-operative Society Ltd
ABN: 39 853 867 516**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sandybeach Community Co-operative Society Ltd, which comprises the Statement of Financial Position as at 31 December 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of material accounting policy information and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Sandybeach Community Co-operative Society Ltd as at 31 December 2025 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 are independent of the Co-operative in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 17 in the financial report, which indicates that the Co-operative incurred a net loss of \$243,671 during the year ended 31 December 2025 and, as of that date, the Association's total liabilities exceeded its current assets by \$299,630.

As stated in Note 17, these events or conditions, along with other matters as set forth in Note 17, indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Co-operative to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors of the Co-operative are responsible for the other information. The other information comprises the information included in the Co-operative's annual report for the year ended 31 December 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 do 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.



Independent Auditor's Report (Continued)
To The Members Of Sandybeach Community Co-operative Society Ltd
ABN: 39 853 867 516

Responsibilities of the Directors for the Financial Report

The Directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Co-operative'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 intends to liquidate the Co-operative or to cease operations, or have no realistic alternative but to do so.

The Directors of the Co-operative are responsible for overseeing the Co-operative's financial reporting process.

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



PENINSULA AUDIT

Peninsula Audit Pty Ltd
Certified Practising Accountant, Authorised Audit Company
ABN: 89 154 680 190

Independent Auditor's Report (Continued)
To The Members Of Sandybeach Community Co-operative Society Ltd
ABN: 39 853 867 516

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated at Mornington on the 24th of March 2026

Peninsula Audit Pty Ltd
Certified Practising Accountant
Authorised Audit Company No 415478
3/33 Milgate Drive Mornington 3931, PO Box 293 Mt Martha Victoria 3934
Telephone (03) 5939 4944
Email – davids@peninsulaaudit.com.au

David A Szepefalusy
Director



Peninsula Audit Pty
Ltd is a CPA
Practice

3/33 Milgate Drive, Mornington Victoria 3931
P. O. Box 293, Mount Martha Victoria 3934
T: (03) 5939 4944
E: davids@peninsulaaudit.com.au W: www.peninsulaaudit.com.au

Liability limited by a
scheme approved
under Professional
Standards Legislation



PENINSULA AUDIT

Peninsula Audit Pty Ltd
Certified Practising Accountant, Authorised Audit Company
ABN: 89 154 680 190

Auditor's Disclaimer

To the Board of Directors
Sandybeach Community Co-operative Society Ltd
ABN: 39 853 867 516

The additional financial data presented in the following pages is in accordance with the books and records of the Co-operative which have been subjected to the auditing procedures applied in our audit of the Co-operative for the year ended 31 December 2025. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the company nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

Dated at Mornington on the 24th of March 2026

Peninsula Audit Pty Ltd

David A Szeplalusy
Director



Peninsula Audit Pty
Ltd is a CPA
Practice

3/33 Milgate Drive, Mornington Victoria 3931
P. O. Box 293, Mount Martha Victoria 3934
T: (03) 5939 4944
E: davids@peninsulaaudit.com.au W: www.peninsulaaudit.com.au

Liability limited by a
scheme approved
under Professional
Standards Legislation

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Scholarship Fund Financial Report

For the Year Ended 31 December 2025

	2025 \$	2024 \$
Cash at bank on 1 January 2025	4,375	4,375
Donations received	-	-
Payments made	-	-
Cash at bank on 31 December 2025	<u>4,375</u>	<u>4,375</u>

Late in 2003, the Australian Tax Office gave approval for tax deductibility to donors of \$2 or more to a fund established by the Directors of Sandybeach Community Co-operative Society Ltd to support vulnerable people accessing educational programs.

The above statement reflects the transactions of the fund from 1 January 2025 to 31 December 2025.

Sandybeach Community Co-operative Society Ltd

ABN: 39 853 867 516

Building Fund Financial Report

For the Year Ended 31 December 2025

	2025	2024
	\$	\$
Cash at bank on 1 January 2025	3,760	3,460
Donations received	-	300
Payments made	(2,930)	-
Cash at bank on 31 December 2025	<u>830</u>	<u>3,760</u>

Late in 2003, the Australian Tax Office gave approval for tax deductibility to donors of \$2 or more to a fund established by the Directors of Sandybeach Community Co-operative Society Ltd to assist the Centre in acquiring and developing it's premises.

The above statement reflects the transactions of the fund from 1 January 2025 to 31 December 2025.