

A large yellow BHC crane is lifting a white container at a wind farm site. The crane's arm is extended upwards, and the container is suspended by a red lifting frame. In the background, several white wind turbines are visible against a blue sky with scattered clouds. A few workers in orange safety gear are standing near the container. A white SUV is parked on the right side of the image.

Make the shift Annual Report 2025

The future of community energy

Generating Results

Hepburn Energy owns and operates Australia's first community-owned wind farm and battery facility. We create environmental, economic and social benefits for members, neighbours and community. Together with the local community, we are leading the transition to a clean energy future and working to showcase to other communities a successful community energy model.

Hepburn Energy is committed to implementing responsive strategy and leadership, working to enable new pathways for community development and contributing to wider system change. We exist to meet the ambitions of our community and nurture aligned social and environmental impacts, supporting diverse products and programs that build resilience. We implement principles of energy democracy, enabling our community to co-design and own generation assets while advocating for policy change in the broader energy market.

Hepburn Energy is located at Leonards Hill, on Dja Dja Wurrung Country, about 100 km north-west of Melbourne, just south of Daylesford Victoria. The 4.1 MW wind farm hosts two turbines, called Gale and Gusto and Bessie, a community battery, which produce enough clean energy to power over 2000

homes. Hepburn Energy acknowledges the Dja Dja Wurrung people as the rightful custodians of the Country that we are situated upon. We pay our respects to Ancestors and Elders and recognise the Dja Dja Wurrung peoples enduring connection to this land.

Hepburn Energy is the trading name of Hepburn Community Wind Park Co-operative Ltd, a co-operative registered in Victoria, Australia. Hepburn Energy was established in 2007 by the Hepburn Renewable Energy Association, now known as SHARE. Despite many challenges, overwhelming support from the community has allowed the venture to flourish – inspiring other communities to explore the community enterprise model for renewable energy projects.

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A message from the board



Hepburn Energy staff and board out the front of office in Daylesford.

Dear members,

This year has been one of focus on our future resilience and preparedness to extend the operating life of your wind farm. Bessie, your community battery, has been the key project as it is a partial solution to the generation and income impacts we are experiencing from negative pricing in the energy market. Since we reached financial close in December 2024 we have been working on the technical, regulatory, legal, contractual and financial implementation of the project. As always, we are grateful to our landowners Ron and Nathalie Liversidge for their ongoing support, and for allowing us to deliver expansion projects such as the battery. Adding Bessie will make us the first wind and battery hybrid on the distribution network in Australia, another pioneering achievement for your co-operative.

An important secondary project was the mid-life blade repairs. While expensive, this work is a worthwhile investment into the future operability of the wind farm asset.

There was significant member interest in a debenture mechanism for funding Bessie, which led to implementation of our first debenture offer in the current financial year. This has really changed the way the co-operative thinks about raising capital for expansion projects. Your volunteer board has also had a significant refresh of new directors. We said goodbye to Graham White, our long term Chairperson who had been on the board for ten years when he left to volunteer in Ukraine in April. In addition, Mark Fogarty, who had been on the board for just under seven years, also stepped down, but has left us with the name Bessie for our community battery. We were able to say goodbye to both of them and express just how grateful we are for their long term service.

During 2024 we welcomed Sherrin Yeo, Alicia Webb and Hieu Nguyen, who were all formally appointed at the AGM in November. Then in this calendar year we welcomed Philip Sherlock in May and then Rosemary Elkins after the end of the financial year in July. Each of the new directors are energy experts in their own right and bring a breadth of knowledge to support the future of your co-operative. David Perry remains on the board and is into his 14th year of service, a remarkable contribution. We would also like to thank our two committee members John Franklin and Turlough Guerin.

Alongside the development of Bessie, key actions of note during the year which are expanded in the Annual Report, include:

- Establishment of a long term decommissioning fund via Ethinvest
- Working with RSM on financial robustness and solvency future proofing
- Governance enhancements with BAL Legal to formalise the constitution of Leonards Hill Wind Operations Pty Ltd and the loan facility between the it and Hepburn Wind
- Actively pursuing lifetime turbine extension with the goal of taking the wind farm through to 30-35 years including mid life blade repairs
- Preparation for regulatory changes to provide us with operational flexibility
- Descoping of our contract with Vestas to enable more efficient site control once Bessie is commissioned
- Development of a Member Return Policy
- Securing a three year extension to our solar farm planning permit

We hope to see as many of you as possible on our members day out for the Annual General Meeting (AGM) and tour to Bessie on 29 November.

Your Board

Performance highlights

- Reaching financial close, commencing site works and ordering a 5 MWh community battery
- Trailblazing Town award from the Climate Council
- Member debenture Expression of Interest (EOI)

Our lifecycle impact - 14 years in!

136,193MWh

Total energy generated, 136,193MWh abating 138,156 tonnes of CO2

\$1,659,234

\$1,659,234 direct member financial benefit

\$6,187,459

\$6,187,459 community value delivered through benefit-sharing projects and programs

97

97 community benefit-sharing projects and programs

	FY2025	FY2024	Variance	Variance %
Revenue and income				
Electricity income (1)	\$380,331	\$421,391	(\$41,060)	-10%
Renewable energy certificate sales	\$254,500	\$238,078	\$16,422	7%
Movement in LGC's on hand	(\$153,353)	\$84,419	(\$237,772)	-282%
EV charger income	\$46,085	\$30,955	\$15,130	49%
PPA income	\$279,637	\$131,122	\$148,515	113%
Combined generation income	\$807,200	\$905,965	(\$98,765)	-11%
Grant revenue	\$4,750	\$320,250	(\$315,500)	-99%
Other revenue	\$91,620	\$100,914	(\$9,294)	-9%
Total revenue	\$903,570	\$1,327,129	(\$423,559)	-32%

Market value				
Electricity income per MWh(1) (excluding PPA's)	\$67.94	\$56.22	\$11.72	20.8%
Renewable energy certificate income per certificate (excluding PPA's)	\$18.61	\$46.46	(\$27.85)	-59.9%
All-in value per MWh(2) (excluding PPA's)	\$86.03	\$101.56	(\$15.54)	-15.3%
PPA average all-in price received	\$95.07	\$90.46	\$4.61	5.1%
All-in value per MWh (including PPA's)	\$94.53	\$101.28	(\$6.75)	-6.7%

Outgoings				
Impact fund, sponsorships and local benefits (3)	\$2,400	\$1,900	\$500	26%
Finance expenses	\$26,661	\$26,974	(\$313)	0%
Total outgoings excluding depreciation and provisions (4)	\$840,657	\$715,006	\$125,651	18%
Total outgoings excluding depreciation and provisions	\$715,006	\$696,801	\$18,205	3%

Financial Performance	\$26,974			
Group EBITDA	\$84,870	\$678,550	(\$593,680)	-87%
EBITDA cents per share	0.93	7.34	(6.41)	-87%
Group earnings before depreciation (5)	\$58,209	\$651,576	(\$593,367)	-91%
Depreciation	\$576,991	\$569,787	\$7,204	1%
Net profit/(loss) before tax	(\$518,782)	\$81,789	(\$600,571)	-734%
Income tax benefit	\$129,695	\$7,506	\$122,189	1628%
Net profit/(loss) after tax (5)	(\$389,087)	\$89,295	(\$478,382)	-536%

Operations	\$89,295			
Wind farm availability (6)	93.5%	97.6%	-4.2%	-4%
Wind speed average both turbines (m/s)	7.1	6.9	0.2	2%
Wind farm generation (MWh) (7)	8,539	8,945	(406)	-5%
Capacity factor	24.2%	25.1%	-0.9%	-4%

Footnotes

1. Electricity income calculated based on total electricity income including avoided TUOS over net generation (DLEG).

2. All in value adjusted for margin loss factor in LGC generation

3. Community contributions expense in the statutory accounts includes movement in provision for community grants of \$4,704 (2024: -\$39,453).

4. Total outgoings excluding depreciation and provisions are before the movement in provision for community grants but after movements in provision for employee entitlements.

5. Group earnings represent earnings before depreciation, amortisation and after accounting for finance expenses. Net profit or (loss) shows the position after accounting for these items. Refer to the audited financial statements contained at the back of this report for further details.

6. Proportion of the year that the grid was available and the turbines were capable of generation. Periods where one turbine was out of service or wind farm operated at reduced capacity are weighted accordingly.

7. Wind farm generation is net generation (DLEG).

Our Performance

Operations | Assets | Wind Farm

During this financial year, Vestas achieved an annual availability result of 93.45%. This did not meet the performance guarantee threshold of 97% and was a 4% decrease from the previous financial year. Generation was lower due to the impacts of negative pricing and increased market volatility over the year, with overall generation of 8,686MWh which resulted in 8,539 net generation.

July 2024 was the highest generation month of the year at 1,031MWh and April was the lowest at 432MWh. Curtailment from negative pricing also impacted the overall capacity factor being 24.17% over the financial year, a reduction of 1% from the previous year.

The wind resource was higher overall this financial year, with an average wind speed of 7.07m/s. The peak month was September at 7.92m/s. This was above the lifetime average of 7.05m/s combined wind speed since operations began.

The following major outages occurred during the financial year:

- 184 hours in December which flowed into 318 hours in January for the same outage, and then 287 hours in April. These were both related to frequency converter issues at the wind farm, and resulted in three IGBT replacements. Existing data indicates that failures of components, such as IGBT power stacks and thyristors, are primarily due to grid outages and component age.
- 82 hours in June 2025 as a result of a major storm event

The co-operative continued conversations with Vestas this financial year regarding end-of-life and options regarding lifetime extension, decommissioning and partial or full repowering. With Bessie expected to last 20 years, the co-operative has decided to actively pursue lifetime turbine extension with the goal of taking the wind farm through to 30-35 years. The co-operative commissioned mid-life blade repairs on all blades across both turbines with this goal in mind. Although no blade damage was rated as critical for repairs, the repairs will extend the life of the blades. The blade repairs took two weeks and were completed by SWIRE.



Our Performance

Battery Project

It has been a very exciting year for the battery project. The [member booklet](#) was released in February and covers the overarching elements of the project.

The co-operative foreshadowed at the 2024 AGM that the largest scale of battery allowed under the Federal Government grant was 5MWh and that was the target, dependent on financing. The co-op secured bridging finance of \$1,000,000 in December 2024 and undertook a crowdfunding campaign with CORENA which was successful in raising a \$120,000 zero interest loan by March 2025.

The Supply Agreement and Technical Agreement was signed with Sunwoda in December 2024. The financial year saw payment of M1 and M2 to Sunwoda for Bessie. The shipment left China in May 2025, with Bessie arriving on site on 30 June 2025. Bessie is a whopping 43 tonnes which meant a large crane was required that needed 4 semi-trailers to cart all of the pads and weights. Everything went smoothly thanks to the collaborative effort from Ballarat Cranes, Big Hill Cranes, All Point Customs and O'Brien's Electrical.

At the time of writing, all hardware has been installed on site following the arrival of the four DC-DC converters, the transformer and the fuse box in early September 2025 and commissioning will take place by the end of 2025.

Electric vehicle charging stations

Hepburn Energy owns and/or operates 4 electric vehicle (EV) chargers across the Hepburn Shire, in Daylesford, Creswick, Hepburn Springs and Trentham.

The chargers function on 100% renewable energy, under the Hepburn Energy X Flow Power retail product. This initiative is helping the region become a more sustainable destination and the Shire get closer to zero-net emissions.

Three of the chargers are Tritium, the most common type of 50 kW charger. However, in recent years, Tritium has been under administration, then bought out, and services have been moved overseas. This has resulted in a major spare parts supply chain issue across the country and a lack of technical support more broadly. The four EV chargers operate under maintenance contracts with Jetcharge, Australia's leading experts in EV charging stations, which offer yearly services for each Charging Station. All chargers are now outside of their warranty windows, which also impacts prioritisation by maintenance operator JetCharge and supplier Tritium.



Our Performance

FY2025 Synopsis

Overall, the public EV chargers saw another year with consistent uplift in usage. This was primarily at the Hepburn Springs fast 50kW charger located at the Hepburn Springs Bathhouse, with an average of 5 uses per day over the last financial year.

The individual performances for the year were:

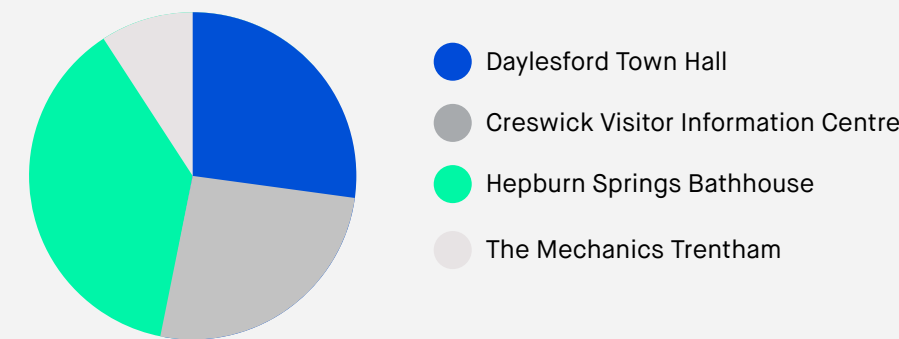
- Daylesford 1370 charges (26.09 MWh) - an average of approximately 3 charges per day (315 more uses and 5.16MWh more than FY24)
- Hepburn Springs 1937 charges (47.53 MWh) - an average of approximately 5 charges per day (644 more uses and 17.42MWh more than FY24)
- Creswick 1329 charges (20.28 MWh) - an average of approximately 3.5 charges per day (471 more uses and 6.41MWh more than FY24)
- Trentham 449 charges (8.39 MWh) - an average of approximately 2.5 charges per day when online

The EV charger profit and loss for FY24 ended in a small operating surplus. Compared to the 2022 business model, which had projected an average of 4 charges per day per charger, the actual average was 3.5 charges per site. This is only a small reduction considering the significant outages at both the Trentham and Creswick locations. The data indicates that vehicles with high battery capacity are charging for longer periods and using more kilowatt-hours (kWh) than initially anticipated. The next EV charging station to be located in Clunes is set to be completed in FY26.

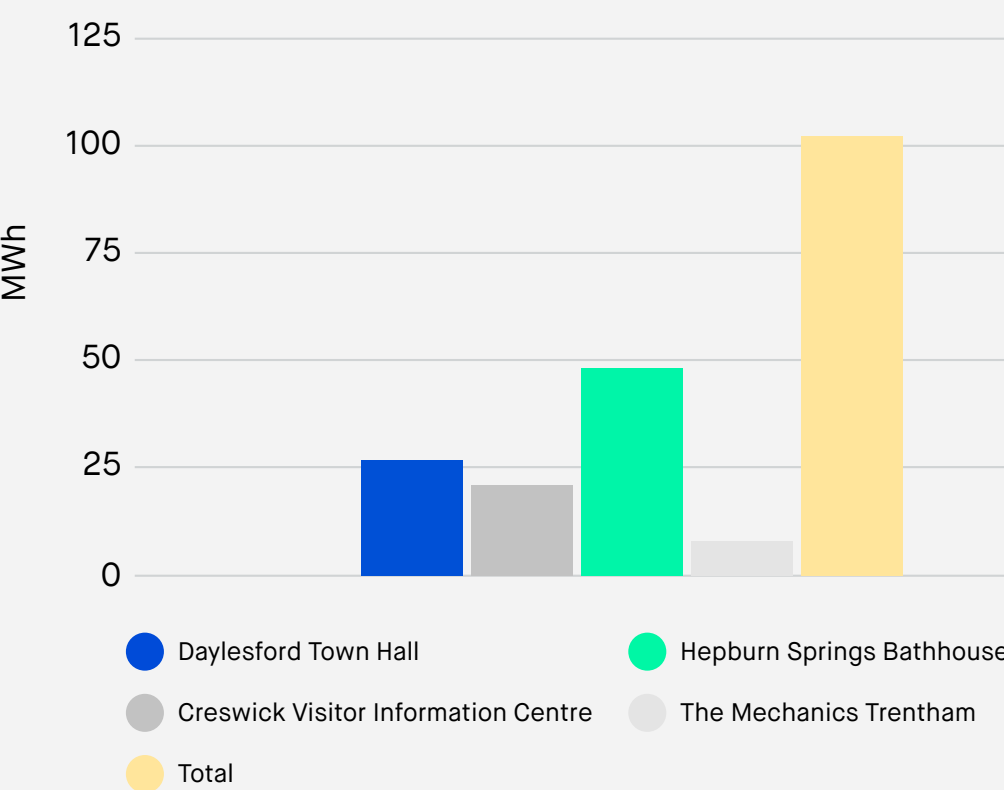
There were 5085 uses of the EV chargers over FY25, which is 1879 more than the previous financial year. This abated a total of 87.97 tCO2, which is 17.99 tCO2 more than FY24. Hepburn Shire residents were responsible for 19% of use, which is up 3% from last year, and abated 14.64 tCO2.

A number of issues arose throughout the year, with chargers requiring updates and repairs. There were prolonged delays in receiving parts and getting technicians on-site particularly for the Trentham and Creswick chargers. This was unfortunate and highlights the deficiencies in EV charging infrastructure within a still largely developing industry.

Percentage of users per charger



Usage MWh

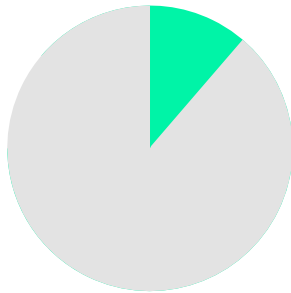


Our Performance

For the second year running, the most used charger for FY25, for both the number of uses and MWh consumed, was the Hepburn Springs Bathhouse charger with 1937 uses (644 more than the previous year), accounting for approximately 40% of all uses and 47.53 MWh or approximately 46% of total energy consumed.

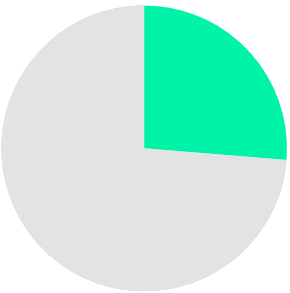
Also for the second year in a row, the charger located at the Creswick Visitor Information Centre had the highest number of local resident uses (347) overall, but the new Trentham charger held the highest percentage of local versus non-local use, with approximately 37% local use.

Daylesford Town Hall



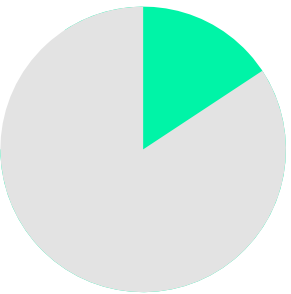
Local Non-local

Creswick Visitor Information Centre



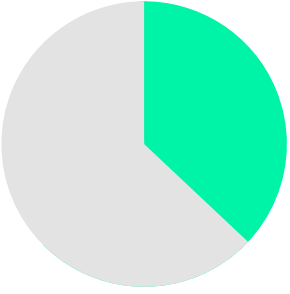
Local Non-local

Hepburn Springs Bathhouse



Local Non-local

Trentham



Local Non-local

Local versus non local use percentage per charger:



Income and expenses

The co-operative continued to be impacted by negative electricity pricing in the National Electricity Market (NEM), primarily co-incident with daytime solar generation. This caused generation and operational income to fall significantly again this year - by 11% compared to the previous financial year. The negative pricing turndown device has managed the risk during daily market events by turning the wind farm off. Other mitigation measures have been employed, including power purchase agreements at fixed rates, residential offerings through Flow Power and sales through EV chargers. The installation of the 5MWh battery will also support our ability to manage these market challenges as it will allow the facility to charge during negative prices and export power into higher value times.

Group earnings before depreciation were \$58,209. After depreciation of \$576,991, there was an after tax loss of \$389,087. This was largely driven by total generation income, which decreased by 11% to \$807,200. There has been a reduction in electricity income of \$41,060 to \$380,331 and a reduction in LGC income of \$221,350 to \$101,147. These reductions in income were partially offset by the increases in income received under the power purchase agreements (\$279,637 up from \$148,515) and EV charger income (\$46,085, up from \$15,130).

Other operating expenses were up by \$105,922 to \$570,974 with wind farm operation expenses having increased by \$85,183, primarily for blade repairs. Expenses for EV charger increased by \$16,696 partially offset by the community power hub expenses which decreased by \$7,869.

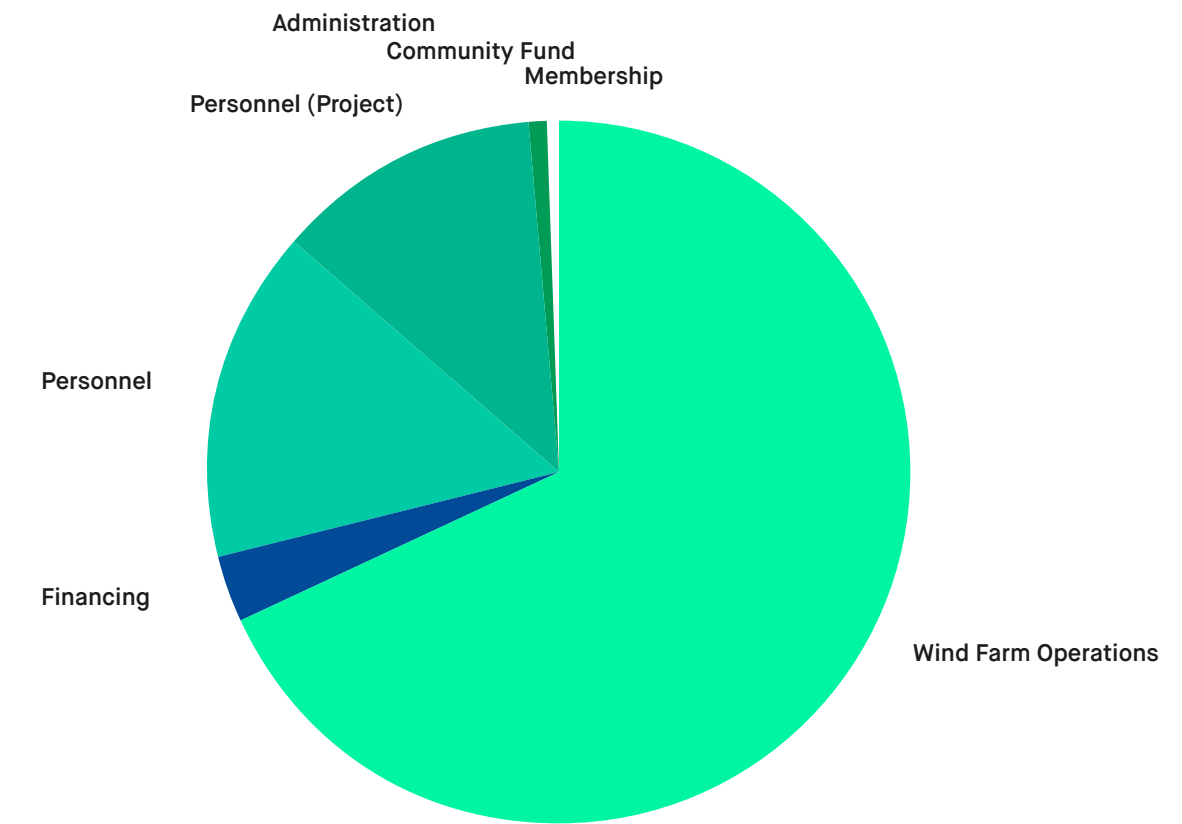
There were also other smaller changes in other categories of operating expenses. The co-operative commissioned mid-life blade repairs on all blades across both turbines which increased turbine maintenance costs across the financial year by 30%.

The average electricity price received excluding PPAs was \$67.94 per MWh which is up 20.8% and the average renewable energy certificate price received was \$18.61 which is down 59.9%. This resulted in an all-in price received excluding PPA of \$86.03 per MWh, which is down 15.3% on the previous financial year.

The average all-in price received under the PPA during the year was \$95.07 per MWh which is up 5.1% on the previous financial year. Total grant and other revenue was \$96,370 which was down \$324,794, with grant income for the year being \$4,750 compared to \$320,250 in the previous financial year.

Administrative expenses were up \$22,140 to \$107,898 which included consulting fees of \$16,500 and an increase in office supplies and IT expenses of \$4,751. There were also other smaller changes in other categories of administration expenses.

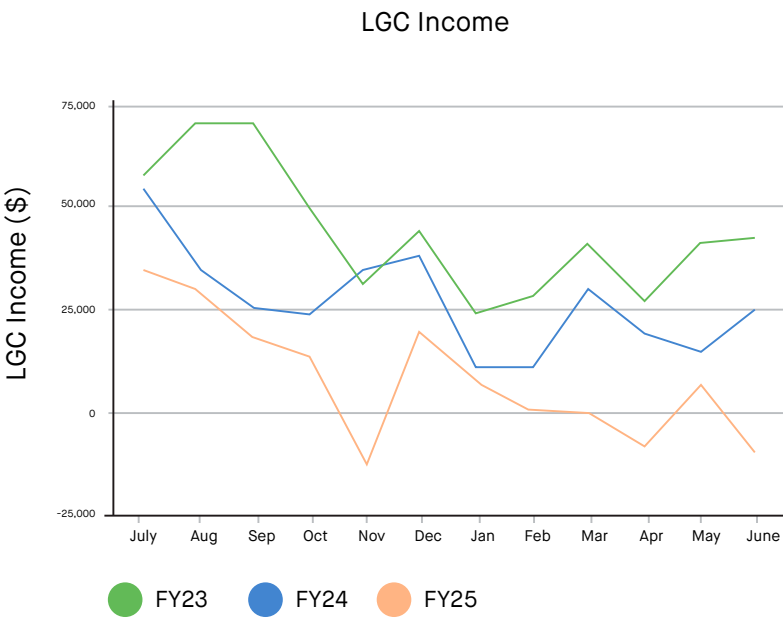
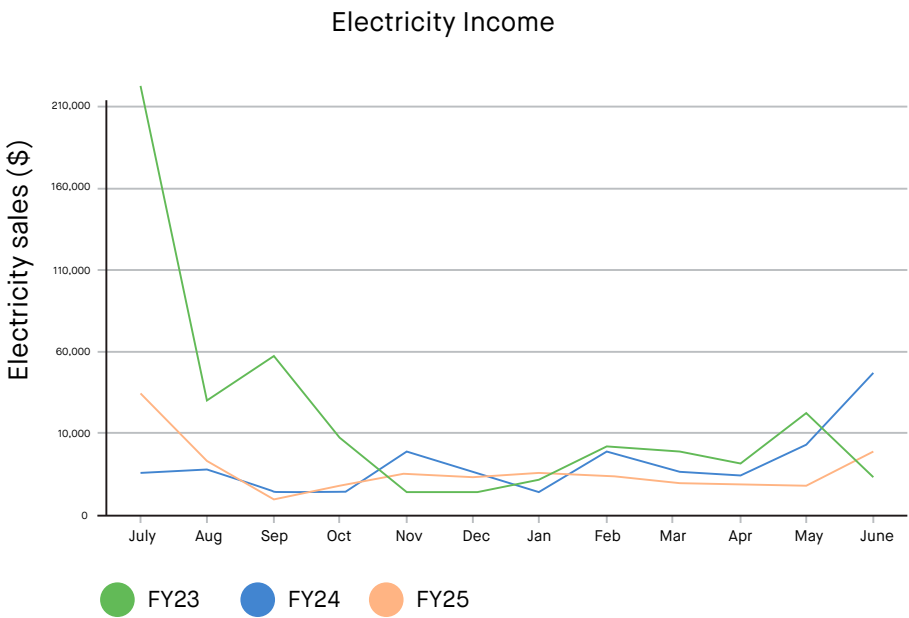
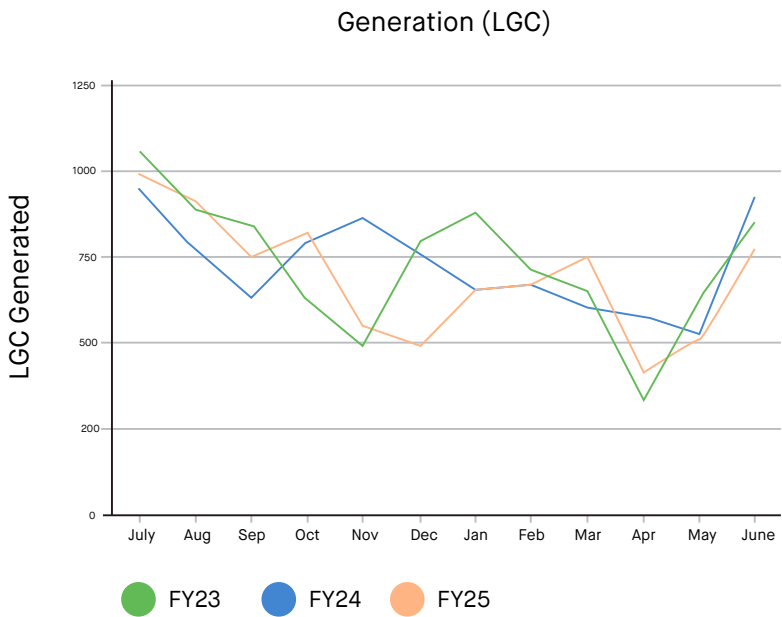
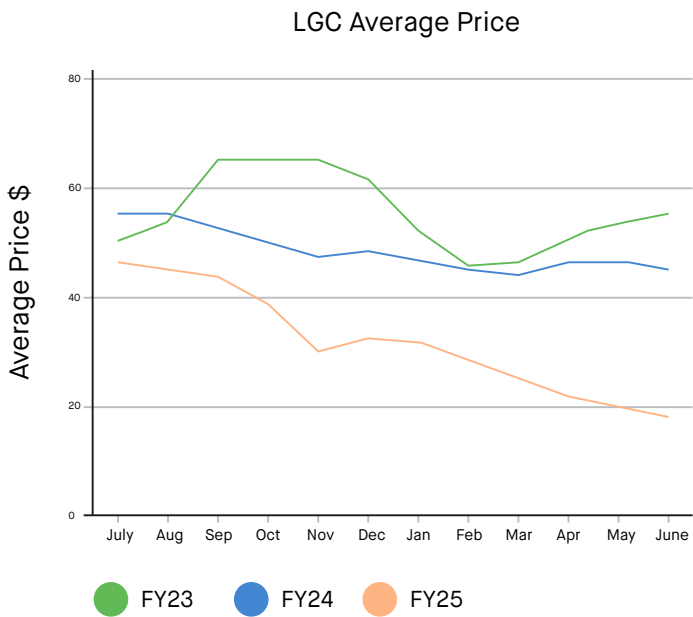
The tax position for the year is an income tax benefit of \$129,695 reflective of the tax loss for the year able to be recouped against future taxable income of the Group. The expenses breakdown is shown in the graph below.



Wind farm operations	67.5%	570,974
Financing	3.2%	26,661
Personnel	15.4%	130,520
Administration	12.8%	107,898
Community fund	0.8%	7,104
Membership	0.3%	2,204

Our Performance

The following graphs show: the declining LGC market rate; the flattening out of the electricity income due to increases in the percentage of export under PPA - from 25% to 45% in January 2025; the generation trend that followed close to the prior financial year; and the low income from LGCs as non PPA surrendered LGCs were held as stock.



Securing our future

Decommissioning Fund

Hepburn Energy successfully implemented a long-term investment strategy to formalise a decommissioning fund, previously held in term deposits totaling approximately \$400,000. As the average term deposit rate of 3.5% (around 2.5% after tax) aligned with long-term inflation estimates, it offered no real growth in value. To address this, the team worked with Ethinvest, an ethical and impact investment advisory practice to develop a revised strategy which was adopted in early 2025. This is of particular importance to show the wind farm landowners that the co-operative is appropriately planning for the future.

The goal was to ensure that \$400,000 (in today’s dollars) would be available by 2041 to meet decommissioning obligations, while reducing the amount of the current reserve that needed to be committed upfront. The chosen investment approach focused on achieving growth that would outpace inflation, with minimal ongoing management required. The investment was \$250,000.

The co-operative commenced tranching payments into the fund in May 2025, and they will continue across the calendar year. The funds were placed into an ethical investment bond aligned with Hepburn Energy’s values. This solution provided a ‘set-and-forget’ approach—low-touch, easy to manage, and designed to remain unchanged over the life of the investment.

By implementing this strategy, Hepburn Energy positioned itself to meet its future decommissioning obligations with greater efficiency, minimising the immediate financial impact while ensuring long-term funding adequacy.

Leonards Hill Wind Operations governance

This year the co-operative worked with BAL Legal to formalise the arrangement regarding the continued use of a loan facility between the co-operative and its fully owned subsidiary and set clear terms for repayment.

This relates back to 2009, when the co-operative incorporated a wholly owned subsidiary — Leonards Hill Wind Operations (LHWO) — to take over the management of the Wind Farm’s assets and to handle its ongoing operations. Today, LHWO owns and operates the assets. It acts as the legal entity for the registration in the National Electricity Market, and it manages all associated power purchase agreements and large-scale generation certificates. To support the original development, the co-operative provided LHWO with a loan of approximately \$7.76 million in June 2011. Since then, there has been a functioning loan facility of up to \$9 million.

BAL Legal worked with the co-operative to develop a fit for purpose constitution for LHWO and to ensure that the Directors are expressly authorised to act in the best interests of the Holding Entity (the co-operative) and contrary to the best interests of the Company.

The new constitution takes the place of the prior use of replaceable rules contained in the Corporations Act.

Solvency future proofing

The co-operative worked with RSM Australia to have a business review that would build the team’s education around how to future proof for solvency in a volatile market environment. The work included checklists and processes to follow going forward around solvency indicators.

Member Return Policy

The co-operative worked with long term management accountants CountPro to commence developing a framework for decision-making by the board in relation to the payment of dividends and capital returns to members. The policy aims to ensure that decision-making around any payment of dividends and capital returns is consistent with the legal obligations of the board and is in the best interests of the co-operative.

Solar planning permit extension

The co-operative holds a planning permit to build a solar facility near the wind farm, which was granted 13 September 2022 and was set to expire 13 September 2024. The co-operative worked with planning consultancy NGH in 2024 to extend the permit - Hepburn Energy Park PA2000999 (solar farm and BESS). This followed NGH’s advice that the community battery could be delivered under the state government Neighbourhood Battery planning permit exemption.

The permit will now expire if the development has not commenced by 13 September 2027 and is not completed by 13 September 2029.

Ensuring operational efficiency and flexibility

During the financial year, the co-operative has assessed and made plans to adjust the regulatory registration held by the wind farm with the Australian Energy Market Operator (AEMO) and also for the physical long term site operations, now that the battery is changing the makeup of the site infrastructure.

The co-operative worked with AEMO and Powercor to determine the most efficient and affordable route to successful grid connection of Bessie. The wind farm will deregister as a generator and apply for a exemption under an Integrated Resource Provider.

Likewise for the physical assets at Leonards Hill, the most efficient operational model has been assessed and the co-operative began the process of descoping Vestas’s control of the site and reducing it to cover only the turbines.

Awards

Eleven trailblazing renewables projects were recognised in the inaugural Climate Council Choice Awards. The Co-op was awarded the Trailblazing Town award.

[Climate Council Choice Awards](#)



Our stakeholders

Engaging with our membership

Member Debenture Offer

As was flagged at the 2024 AGM, the Board looked at ways to raise additional funds for the Bessie project to replace or supplement the bridging finance. This included consideration of the issue of debentures to members, which would allow members the opportunity to participate financially in the project in alignment with co-operative values.

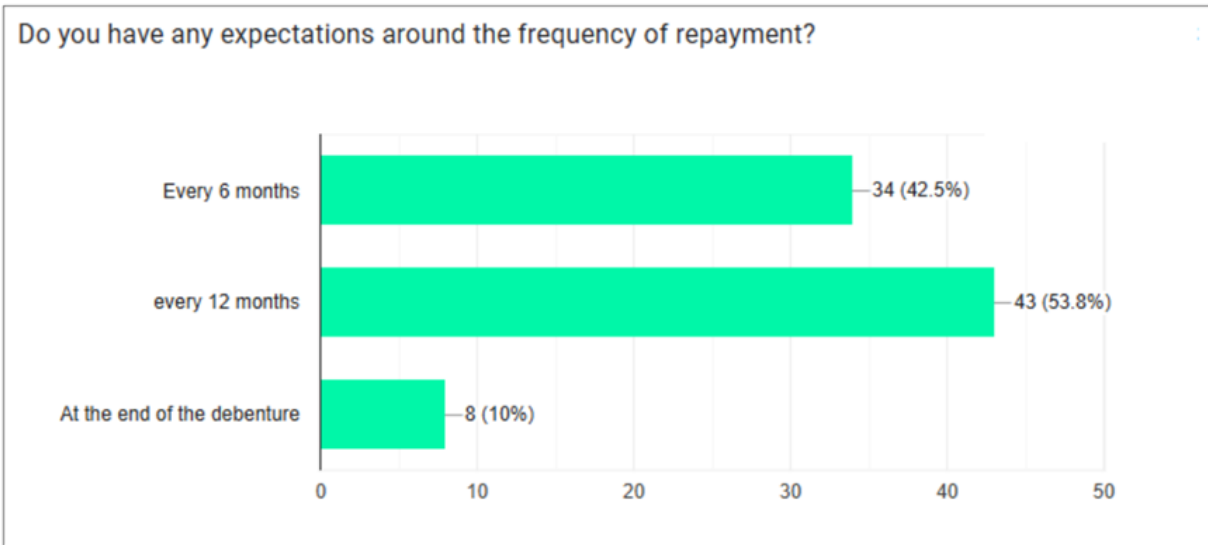
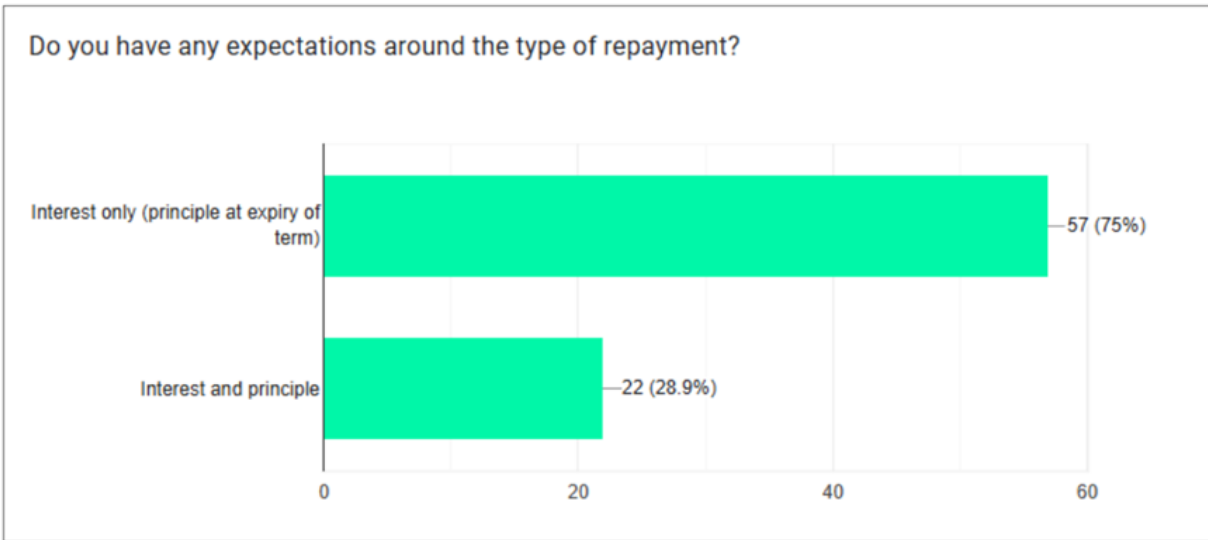
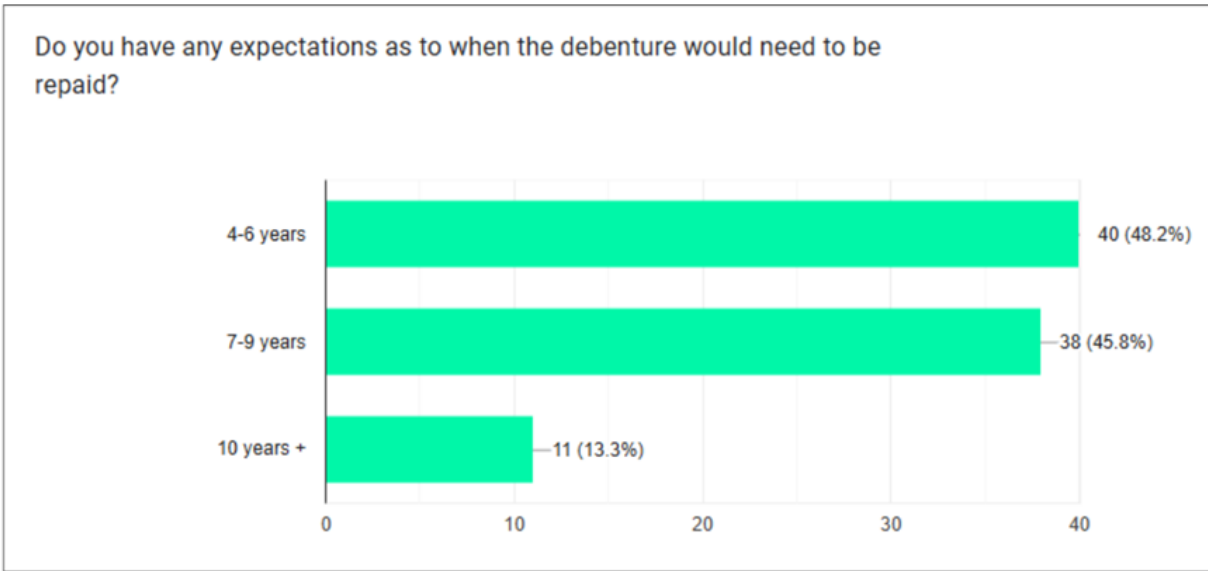
A Debenture is a type of investment instrument or security that pays interest. Co-operatives can issue debentures as a way to raise funds from members and non-members under Part 3.4 of the Co-operatives National Law. In return for the investment, a co-operative commits to make regular interest payments and return the money lent on a date in the future. Debentures can not be traded on a secondary market like the Australian Securities Exchange (ASX).

By participating in an online survey, 109 members expressed an interest in the concept of debentures. The group collectively stated they would consider a minimum debenture totalling \$1,121,200 and a maximum of \$1,430,700, with 14 respondents leaving this question blank. In the 2026 financial year, the debenture offer was delivered successfully and oversubscribed at the \$1,100,000 limit.

The following graphs opposite outline the responses provided to the additional questions.

Annual General Meeting

The 2024 Hepburn Energy Annual General Meeting (AGM) took place online via Zoom on November 25 at 5:30 PM. A total of 85 voting members were present. The meeting included a detailed presentation on the battery project, along with insightful questions and comments from attendees.



The feedback helped the co-operative shape the member debenture offer opened in financial year 2026.

Engaging with our community
Community impact

Hepburn Energy Community Impact data
In October last year, the co-operative compiled 13 years of co-operative data to showcase the community impact. Wind turbines Gale and Gusto have generated 127,654 MWh of clean energy, which has avoided an impressive 130,813 tonnes of CO2 emissions.

Data also highlighted that Hepburn Energy’s community engagement is unparalleled among wind farms in Australia. From the beginning, the co-operative has aimed to ensure that the entire community—beyond just the investors—reaps the benefits of the project.

In total, the co-operative has contributed \$326,916 towards 97 community benefit-sharing projects. Even more impressive is that these projects have leveraged an additional \$6,187,459 in community value, resulting in a leverage ratio of almost 19 to 1.

Over the years, the co-operative’s community benefit sharing has taken many forms. The co-op has initiated 15 community energy projects, along with an additional 17 projects and programs, distributed 59 community grants, and established 4 co-operative-owned EV chargers. As a result, over 450 homes and more than 80 community groups have benefited.



Community Impact

\$326,916

\$326,916 towards 97 community benefit-sharing projects

\$6,187,459

These projects have leveraged an additional \$6,187,459 in community value

15 energy projects

Over the years the co-op has initiated 15 community energy projects

59 community grants

Distributed 59 community grants

Our stakeholders

Hepburn Energy School Excursions

The co-operatives long-awaited School Excursion program launched in March 2025 through a partnership with Ecolinc, a provider of sustainable environmental programs for students. Ecolinc is co-located at Bacchus Marsh College and delivers programs to students from Foundation to Year 12. The Centre has positioned itself as a leader in STEM (Science, Technology, Engineering and Mathematics) Education, particularly in the environment and sustainability areas.

In 2025, year 7 and 8 students participated in pilot excursions to the Hepburn Energy Park. These excursions aim to tell the co-operative’s story and to engage students and staff in the science behind energy, renewables and climate change. You can find out more about Ecolink here: <https://www.ecolinc.vic.edu.au/>

The co-operative hopes to expand the school excursion and tours to the Energy Park further in 2026.

UN International Year of Co-operatives 2025

The United Nations General Assembly declared 2025 as the International Year of Co-operatives, following the first in 2012, recognising the immense contributions of co-operatives and mutuals to social and economic development. Hepburn Energy has taken part in the peak body – Business Council of Co-operatives and Mutuals (BCCM)’s campaign, which celebrates the immense contributions of co-operative and mutuals to social and economic development. The campaign aims to raise public awareness, promote growth and development, advocate for supportive frameworks and inspire leadership.

The co-operative celebrated through a social media series that shared some of the amazing things the co-operative has accomplished over the years. A [Co-operative Guide](#) was released which is a clickable guide on co-operatives and the formation and timeline of Hepburn Energy.



Business Council of Co-operatives and Mutuals (BCCM) Report
Two years ago Hepburn Energy signed the Co-operatives and Mutuals Climate Declaration of Climate Action, and now BCCM has developed a report on progress in the sector in which the co-operative features.

Check it out here:
<https://bccm.coop/.../The-Co-operatives-and-Mutuals...>



THIS IS
SOCIAL
BUSINESS

THE CO-OPERATIVES AND
MUTUALS DECLARATION OF

Climate
Action

2024 PROGRESS REPORT

Case study: **Hepburn Energy**
and community engagement



Hepburn Energy is a member-owned co-operative and Australia's first community owned wind farm, now working towards solar and battery. Hepburn Energy has just under 2000 members and focuses on community development and climate change adaptation.

Hepburn Energy support has influenced its local government stakeholder, Hepburn Shire Council to declare a climate emergency, subsequently co-funding and collaborating with Hepburn Energy on developing a zero net emissions master plan for the entire shire. This includes calculating an emissions footprint for the whole shire every year and carrying out annual electricity audits to track progress towards 100 per cent renewable and zero net energy for the shire.



Amy’s Balancing Act
Last year Dr Bjorn Sturmberg, an energy researcher at ANU, award-winning science communicator, and long-standing member of Hepburn Energy, published Amy’s Balancing Act - an illustrated children’s book about the transition to clean energy and the power of diversity. Within the book, a character, representing wind power, is named after one of the turbines!

Bjorn donated books to Hepburn Energy to distribute amongst local schools and libraries. Books were donated to the Hepburn Shire Libraries, St Michael’s Primary School, Hepburn Primary School, Daylesford Dharma School, Trentham District Primary School and Daylesford Primary School. Early sales of the books also led to Bjorn donating to the Community Battery Fund, thank you to the 30 members who made this possible!

Find out more about the book here:
<https://bjornsturmberg.com/amys-balancing-act/>



Our stakeholders

Our Action for Hepburn Z-NET

Hepburn Z-NET Steering Committee
Hepburn Energy continued to co-facilitate Hepburn Z-NET and manage the website (hepburnznet.org.au/) that shares activities and programs.

Hepburn Z-NET is guided by the Community Transition Plan (CTP), which contains both a detailed blueprint of existing emissions and an Implementation Plan to work towards zero-net emissions by 2030.

In 2019, the implementation phase began, and partner representatives and some community members formed the 'Z-NET Roundtable'. The Roundtable oversaw the Community Transition Plan. They reviewed progress, looked for new opportunities for their stakeholder groups and implemented projects.

Six years into the implementation phase, a restructure of the Z-NET collaboration has been enacted. The change involves moving from a large-scale community group, the Roundtable, to a small-scale group, the steering group, with larger community education and think tank events. The change is based on feedback from outgoing roundtable members and the need for a more targeted approach to building local literacy in emissions reduction approaches. The Steering Group members possess a solid understanding of the Z-NET programs and goals, preferably with experience in climate change initiatives, to effectively guide the collective towards greater impact. Over the next two years the group's focus will be on four key areas; Energy Efficiency & Electricification, Agriculture, Transport and Insetting & Offsetting.

The FY24 audit was undertaken this year. The electricity audit showed that the Shire's net emissions from electricity dropped to 41,433 tonnes of carbon, down from 69,251 tonnes in 2018. Locally avoided emissions increased from 21,181 tonnes in 2018 to 31,612 tonnes in 2024, reflecting a 49.2% increase over six years.

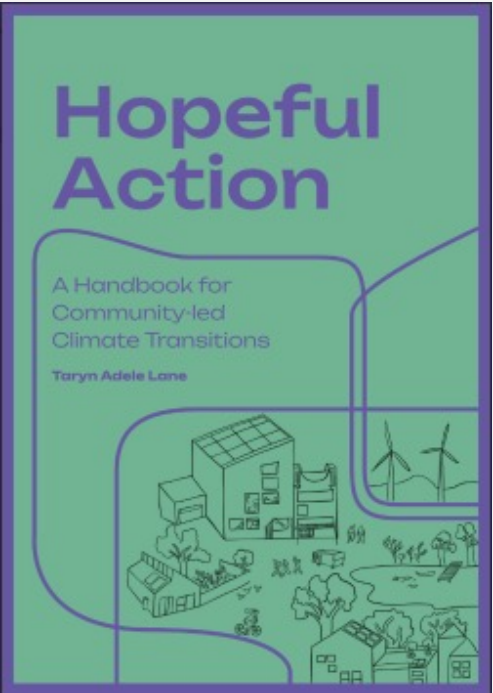
Over the years, residents have made significant strides in solar energy adoption. The Shire now has 21.8 MW of installed solar photovoltaic (PV) capacity, an 8.4% increase from last year and a 107.5% increase since 2018. The percentage of homes with rooftop solar has jumped from 17.7% in 2018 to 37.6% today. The average size of solar PV systems has also grown, from 3.6 kW in 2018 to 5.9 kW now. Community renewable energy generation, including Hepburn Energy's turbines and rooftop solar, reached 37,760 MWh this past year, nearly doubling the 2018 output with a 96% increase.

Electricity consumption has increased by 15% since 2018, from 82,024 MWh to 94,695 MWh in the 2024 financial year. It rose only 1.5% from the previous year. This increase is likely due to population growth and a shift from gas to all-electric appliances. To improve energy efficiency, more households should utilize their rooftop solar generation, as only 35.9% is consumed on-site. Overall, the Shire uses 38.8% of clean energy through community renewables and Power Purchase Agreements with the Council and Central Highlands Water.

Publications

Hopeful Action
A free resource is available to help you take action in 2025. This handbook intends to make climate change a less wicked problem by building knowledge and capacity, determining where solutions exist, and sharing how to take action. Authored by Hepburn Energy General Manager, Taryn Lane, with input from collaborators such as Saul Griffith, Renew and dozens of community case studies, including from work at Hepburn Energy, it is a digestible tool for a wide range of people, from early adopters to those newly considering how to best take action in their home, workplace, and community.

Check out the PDF via Hepburn Z-NET website, link here: hepburnznet.org.au/resources/



Impact Fund

Impact Fund

This financial year \$20,000 of the Impact Fund was delegated to the community battery project. The co-operative continued to sponsor the Daylesford New Year’s Eve Parade and made financial contributions to the Leonards Hill Hall, the Korweinguboora Recreation Reserve and the Leonards Hill CFA.



Acknowledgments

Hepburn Energy benefits greatly from our relationships with many organisations whom we gratefully thank.

We are particularly grateful to Ron and Nathalie Liversidge, Vestas, Flow Power, Meridian Energy, The Department of Environment, Energy and Climate Action, Sustainability Victoria, The University of Newcastle, The University of Melbourne, Co-operative Bonds, BCCM, BAL Legal, Fulcrum3D, Middleton Group, Meralli Solar, Kinelli Solar, Enhar Consulting, O’Brien’s Electrical, DNV GL, Renew, Share Connect, Syndex, Central Victorian Greenhouse Alliance, Bendigo and Adelaide Bank, Powercor, Marsh Insurance Brokers, Seed Advisory, Re-Alliance, BREAZE, Hepburn Z-NET Roundtable, Hepburn Shire Council, Yes2Renewables, Coalition for Community Energy, Fire Management Consultants, SMA, Studio Latitude, Marshall Day, AEMO, SWIRE, Sunwoda, CORENA, BREAZE INK, Optigrade and CountPro. We are also indebted to countless others who have provided advice, reduced fees or support in other ways.

Images thanks to M.A.D Creative Studio.

Significant items subsequent to preparation of the Statutory Accounts

No significant items to be reported.

2025 Financials

Hepburn Community Wind Park Co-Operative Ltd

Hepburn Community Wind Park Co-operative Ltd

ABN 87 572 206 200

Financial Statements

For the Year Ended 30 June 2025

Hepburn Community Wind Park Co-operative Ltd

ABN 87 572 206 200

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For the Year Ended 30 June 2025

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Directors' Report
For the Year Ended 30 June 2025

Your directors present their report, together with the financial statements of the Group, being the Co-operative and its controlled entity Leonards Hill Wind Operations Pty Ltd, for the financial year ended 30 June 2025.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
David Perry	Chairperson
Alicia Webb	Director (appointed 25 September 2024)
Hieu Nguyen	Director (appointed 30 September 2024)
Philip Sherlock	Director (appointed 20 May 2025)
Rosemary Elkins	Director (appointed 30 July 2025)
Sherrin Yeo	Director
Graham White	Director (resigned 12 April 2025)
Mark Fogarty	Director (resigned 30 June 2025)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Additional information on directors, their experience, special responsibilities and dates of election are included on pages 4 and 5.

Staff

At 30 June 2025, the Group employed two part time staff:

- Taryn Lane (General Manager)
- Carlena D'Arma (Community Officer)

Principal activities

The principal activities of the Group over the course of the financial year were to:

- operate the wind farm comprising two wind turbines at Leonards Hill in Victoria,
- develop a solar farm and battery storage facility at Leonards Hill in Victoria, and
- optimise wind farm operations and the Co-operative functions.

No significant change in the nature of these activities occurred during the year.

Directors' Report
For the Year Ended 30 June 2025

Operating results and review of operations

The Group's earnings before interest, taxes, depreciation and amortisation were \$84,870 (2024: EBITDA of \$678,550) representing earnings of 0.93 cents per share (2024: 7.34 cents per share).

After allowing for significant depreciation of capital items and interest expenses the result was a consolidated loss after tax for the year of \$389,087 (2024: consolidated profit of \$89,295).

The table below summarises the operating result of the Group:

	2025	2024
	\$	\$
Income	903,570	1,327,129
Expenses	(818,700)	(648,579)
Earnings before interest, taxes, depreciation and amortisation	84,870	678,550
Interest	(26,661)	(26,974)
Operating profit before depreciation, amortisation and income tax	58,209	651,576
Depreciation and amortisation	(576,991)	(569,787)
Operating profit/(loss) before income tax	(518,782)	81,789
Income tax benefit	129,695	7,506
Consolidated profit/(loss) for the year	(389,087)	89,295

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made for the financial year.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

During the year the Victorian wholesale electricity market has continued to experience significant volatility. A negative pricing turndown device has managed the risk to the Group during extreme market events by turning the wind farm off. However, these ongoing negative pricing events generally coinciding with daytime solar generation are causing generation and operational income to fall significantly. Partial mitigation measures have been employed (power purchase agreements at fixed rates, residential offerings through Flow Power and sales through EV chargers). The installation of the 5 MWh BESS is a partial solution to these market challenges.

Directors' Report
For the Year Ended 30 June 2025

Matters or circumstances arising after the end of the year

In December 2024, a loan agreement was entered into for the BESS battery project to borrow funds of \$1 million. The first drawdown occurred in July 2025.

During the year, the Group has commenced investing the funds for decommissioning into an investment bond. The balance invested to date is reflected in financial assets in the statement of financial position, with further amounts committed to be invested in the next financial year.

On 26 October 2025, a storm event which included lightning strikes at the wind farm damaged high voltage assets on site. Investigations are ongoing as to the damage and repair.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Environmental issues

The Group's operations are subject to significant environmental regulations under the laws of the Commonwealth of Australia and the State of Victoria. As a condition of the wind farm's planning permit, the Group has implemented the following plans:

- (i) Environmental Management Plan
- (ii) Bird and Bat Monitoring Plan
- (iii) Preliminary Off-site Landscaping and Visual Screening Plan
- (iv) On-site Landscape and Visual Screening Plan
- (v) Heritage Management Protection Plan
- (vi) Fire Management Plan
- (vii) Noise Compliance Plan

Where applicable, these plans have been endorsed by Hepburn Shire Council as the responsible planning authority. The plans have been implemented by the Group to the satisfaction of the responsible authority.

Indemnification and insurance of officers

Insurance premiums were paid during the financial year for indemnity insurance for directors and officers of the Co-operative and its controlled entity.

Proceedings on behalf of the Co-operative

No person has applied for leave of court to bring proceedings on behalf of the Co-operative or its controlled entity or intervene in any proceedings to which the Co-operative or its controlled entity is a party for the purpose of taking responsibility on behalf of the Co-operative or its controlled entity for all or any part of those proceedings.

The Co-operative and its controlled entity were not a party to any such proceedings during the year.

Directors' Report
For the Year Ended 30 June 2025

Information on Directors

Director	Experience & Special Responsibilities	Elected
David Perry	David holds a PhD in Auditory Neuroscience, and a Bachelor Degree in Electrical Engineering, both from the University of Melbourne. He has worked across medicine, agriculture and energy and is CTO and co-founder of BOOMPower, a software company that helps asset managers understand, procure and verify solar and energy efficiency solutions. David and his partner live in Malmsbury. Member of the Operations Committee; Health, Safety & Environment Committee and Future Generation Working Group.	Elected 6 November 2011 Re-elected 15 November 2014 Re-elected 10 November 2017 Re-elected 21 November 2020
Alicia Webb	Alicia has 20 years of experience in Australia’s renewable energy industry with a focus on wind energy. With a background in mechanical engineering, she has held both technical and policy-focused roles in the sector, working with a range of stakeholders including industry, government, the market operator and the Victorian Energy Minister.	Appointed 25 September 2024 Elected 25 November 2024
Hieu Nguyen	Hieu has over 15 years’ experience working in the electrical power system industry, specialising in modelling, connection and operation of renewable energy projects, both in Australia and globally. He has a strong passion for and a deep understanding of the full process to integrate a renewable energy project to the grid, from pre-feasibility assessment to commissioning. Hieu holds a PhD in Power System Engineering and a Bachelor of Electrical and Control Engineering.	Appointed 30 September 2025 Elected 25 November 2024
Philip Sherlock	Phil is a Chartered Accountant with 14 years of experience in corporate finance, project finance, treasury, banking, and debt advisory. He has a deep understanding of the financing and investment processes for various technologies within the renewables sector. Phil is passionate about the role capital markets play in the development of renewable projects and aims to drive growth in the sector through innovative financing solutions.	Appointed 20 May 2025
Rosemary Elkins	Rosie has held a range of energy policy, research and reform delivery roles across government and the market operator, with a strong focus on market and system integration of consumer energy resources. As a Hepburn Shire resident, she is passionate about community based projects that support local energy resilience and self-sufficiency. She holds Masters degrees in Economics and Environmental Management & Development.	Appointed 30 July 2025

Directors' Report

For the Year Ended 30 June 2025

Director	Experience & Special Responsibilities	Elected
Sherrin Yeo	Sherrin is a senior renewable energy professional with over 20 years of experience working on projects across Australia and Asia. She has a Bachelor of Engineering (Aerospace) and a Bachelor of Business Administration and has worked in various roles as a consultant, supplier and developer/owner/operator including market modelling, safety, engineering, procurement and strategy development. Member of Future Generations Working Group.	Appointed 12 June 2024 Elected 25 November 2024
Graham White	Graham is a Mechanical Engineer and has worked in aerospace and energy industries for over 40 years. He has a Bachelor of Engineering (Thermodynamics and Aeronautics) from Carleton University in Ottawa and a Masters in Engineering Science (Solar) from the University of Western Australia. Graham has worked extensively in a number of countries including significant periods in Canada, Australia, Papua New Guinea, New Zealand and India. Graham was the Managing Director of Garrad Hassan (Australasia), a renewable energy consultancy company for 15 years. During this period he was involved in many wind farm and solar projects, including tasks for the development of the Hepburn Wind project. Graham has recently retired and lives in Woodend. Former Chairperson and member of the Operations Committee and Future Generation Working Group.	Appointed 19 May 2015 Elected 7 November 2015 Re-elected 3 November 2018 Re-elected 2021 Elected chairperson 25 September 2018 Resigned 12 April 2025
Mark Fogarty	Mark has over 20 years of experience in clean energy development, from origination, financing and regulatory perspectives. He is passionate about clean energy projects working with community and agricultural stakeholders. Mark’s technical skills include legal, governance and financial management. Member of the Finance & Risk Committee and Future Generation Working Group.	Appointed 19 December 2018 Elected 16 November 2019 Re-elected 2022 Resigned 30 June 2025

Directors' Report

For the Year Ended 30 June 2025

Meetings of directors

During the financial year 6 meetings of directors were held (excluding meetings of committees). Attendances by each director during the year were as follows:

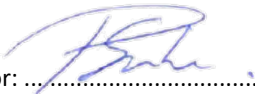
	Directors' Meetings	
	Meetings attended	Meetings eligible to attend
David Perry	6	6
Alicia Webb	5	6
Hieu Nguyen	6	6
Philip Sherlock	1	1
Rosemary Elkins	-	-
Sherrin Yeo	6	6
Graham White	5	5
Mark Fogarty	4	6

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2025, in accordance with section 307C of the *Corporations Act 2001*, has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:


Director:
David Perry


Director:
Philip Sherlock

Dated: 30 October 2025

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2025

	Note	Consolidated	
		2025	2024
		\$	\$
Revenue	4	903,570	1,327,129
Administrative expenses	5	(107,898)	(85,758)
Communications, public meetings and events	6	(2,204)	(5,567)
Personnel expenses	7	(130,520)	(129,755)
Depreciation and amortisation	8	(576,991)	(569,787)
Interest	9	(26,661)	(26,974)
Other operating expenses	10	(570,974)	(465,052)
Community contributions	11	(7,104)	37,553
Profit/(loss) before income tax		(518,782)	81,789
Income tax benefit	12	129,695	7,506
Profit/(loss) for the year		(389,087)	89,295
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(389,087)	89,295

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 30 June 2025

	Note	Consolidated	
		2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	13	200,616	202,924
Current tax assets	14(a)	8,700	73,055
Trade and other receivables	15	265,605	216,339
Inventories	16	72,600	225,953
Other financial assets	17	1,214,566	2,174,459
Total current assets		1,762,087	2,892,730
Non-current assets			
Deferred tax assets	14(b)	172,170	42,475
Property, plant and equipment	18	7,987,540	7,203,745
Right-of-use assets	19(a)	753,307	787,429
Total non-current assets		8,913,017	8,033,649
Total assets		10,675,104	10,926,379
Liabilities			
Current liabilities			
Trade and other payables	20	348,243	150,495
Provisions	21	83,266	74,354
Lease liabilities	19(b)	26,764	24,337
Total current liabilities		458,273	249,186
Non-current liabilities			
Lease liabilities	19(b)	465,414	477,105
Provisions	21	400,621	400,205
Total non-current liabilities		866,035	877,310
Total liabilities		1,324,308	1,126,496
Net assets		9,350,796	9,799,883
Equity			
Issued capital	22	9,190,897	9,250,897
Retained earnings		159,899	548,986
Total equity		9,350,796	9,799,883

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2025

	Consolidated			
	Members capital	Share premium reserve	Retained earnings	Total
	\$	\$	\$	\$
2025				
Balance at 1 July 2024	9,238,765	12,132	548,986	9,799,883
Loss attributable to members of the group	-	-	(389,087)	(389,087)
Shares issued during the year	2,600	260	-	2,860
Shares bought back during the year	(55,538)	-	-	(55,538)
Shares cancelled during the year	(7,322)	-	-	(7,322)
Balance at 30 June 2025	9,178,505	12,392	159,899	9,350,796
2024				
Balance at 1 July 2023	9,256,422	11,792	459,691	9,727,905
Profit attributable to members of the group	-	-	89,295	89,295
Shares issued during the year	3,400	340	-	3,740
Shares bought back during the year	(15,000)	-	-	(15,000)
Shares cancelled during the year	(6,057)	-	-	(6,057)
Balance at 30 June 2024	9,238,765	12,132	548,986	9,799,883

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2025

		Consolidated	
		2025	2024
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		994,386	1,108,333
Payments to suppliers and employees		(1,007,812)	(746,889)
Interest received		90,723	83,471
Interest paid		(26,661)	(207)
Income tax refund/(paid)		64,355	(169,696)
Net cash provided by operating activities	23	114,991	275,012
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,024,317)	(138,833)
Purchase of financial assets		(62,500)	-
Proceeds from/(payments for) financial assets		1,022,393	(562,706)
Net cash used in investing activities		(64,424)	(701,539)
Cash flows from financing activities:			
Proceeds from share applications		2,860	3,740
Payments for share buy-backs		(55,538)	(18,102)
Repayment of borrowings		-	(1)
Dividends paid		(197)	(10,943)
Net cash used in financing activities		(52,875)	(25,306)
Net decrease in cash and cash equivalents held		(2,308)	(451,833)
Cash and cash equivalents at beginning of year		202,924	654,757
Cash and cash equivalents at end of financial year	13	200,616	202,924

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2025

The financial report includes the consolidated financial statements and notes of Hepburn Community Wind Park Co-operative Ltd and its controlled entity Leonards Hill Wind Operations Pty Ltd (the group). Hepburn Community Wind Park Co-operative is a for profit co-operative incorporated and domiciled in Australia.

The financial report was authorised for issue on 24 October 2025 by the directors of the Co-operative.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Summary of material accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Hepburn Community Wind Park Co-operative Ltd at the end of the reporting period. A controlled entity is any entity over which Hepburn Community Wind Park Co-operative Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 29 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(c) Inventories

The Group receives Large-scale Generation Certificates (LGCs) arising from its generation of renewable energy, which it holds available for sale. The LGCs have been valued using the Mercari Mid Point Index Spot Price at which the LGCs could be sold immediately following the balance date.

All other items of inventory are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a prime cost or diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

Plant and grid connection assets are depreciated at a rate of 4% prime cost basis.
Office equipment assets are depreciated at rates of 4% - 66.66% prime cost and diminishing value basis.

The asset's residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(e) Intangibles and amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

(f) Financial instruments

Classification

On initial recognition the group classifies its financial assets, according to the basis on which they are measured, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

The group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the group's historical experience and informed credit assessment and including forward looking information.

The group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Hepburn Community Wind Park Co-operative Ltd ABN 87 572 206 200 Notes to the Financial Statements For the Year Ended 30 June 2025	
	The Group uses the presumption that a financial asset is in default when: - the other party is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or - the financial asset is more than 90 days past due. Credit losses are measured as the present value of the difference between the cash flows due to the group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach. <i>Trade receivables and contract assets</i> Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss <i>Other financial assets measured at amortised cost</i> Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.
(g) Trade and other payables	Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.
(h) Employee benefits	Provision is made for the Group'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 expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Hepburn Community Wind Park Co-operative Ltd ABN 87 572 206 200 Notes to the Financial Statements For the Year Ended 30 June 2025	
(i) Income tax	Hepburn Community Wind Park Co-operative Ltd and its wholly owned Australian subsidiaries have formed an income tax consolidated group. All members of the income tax consolidated group are taxed as a single entity. The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit). Each entity in the income tax consolidated group reports its contribution to the income tax expense (benefit) of the consolidated group. Tax losses incurred by members of the income tax consolidated group are applied to reduce any tax payable by the other entities in the income tax group prior to giving rise to deferred tax assets. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(j) Leases

At inception of a contract, the Group assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement (if the supplier has a substantive substitution right then there is no identified asset),
- the group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and
- the group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(k) Revenue and other income

Revenue is recognised under AASB 15 on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are initially credited to deferred income at fair value and are credited to income as the expenditure on the assets required to satisfy the grant conditions are met.

(l) Borrowing costs

Borrowing costs are recorded as intangible assets and are amortised over the shorter of the life of the related borrowings or five years.

(m) 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 relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(n) Comparative figures

Comparative figures are consistent with prior years unless otherwise stated in the notes.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - impairment of property, plant and equipment

At the end of each reporting period the Group assesses impairment by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets based on various assumptions. These determinations and assessment may change as further information is obtained.

Key estimates - employee provisions

Provision is made for the Group'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2025

Key judgments - lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Key judgments - deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

4 Revenue

Revenue from contracts with customers

Revenue from ordinary operations

	Consolidated	
	2025	2024
	\$	\$
Sale of goods	960,553	821,546
	960,553	821,546
Other revenue		
Community fund contributions	2,691	4,911
Site tours	1,088	-
Interest income	74,999	86,970
Grants	4,750	320,250
Forfeited shares	7,322	6,057
Movement in inventories	(153,353)	84,419
Other income	5,520	2,976
	(56,983)	505,583
Total revenue	903,570	1,327,129

Notes to the Financial Statements
For the Year Ended 30 June 2025

		Consolidated	
		2025	2024
		\$	\$
Disaggregation of revenue from contracts with customers			
(a) Timing of revenue recognition			
At a point in time		960,553	821,546
		<u>960,553</u>	<u>821,546</u>
(b) Type of contract			
Sale of goods - Electricity		336,546	391,094
Sale of goods - Large-scale Generation Certificates		254,500	238,078
Sale of goods - Transmission use of system income		43,785	30,297
Sale of goods - EV Chargers		46,085	30,955
Sale of goods - PPA Bundle C&I		248,725	101,138
Sale of goods - PPA Residential		30,912	29,984
		<u>960,553</u>	<u>821,546</u>
5 Administrative expenses			
Accounting fees		19,160	23,390
Audit fees		14,275	6,650
Bank charges		177	164
Bookkeeping		7,914	8,458
Consulting fees		16,500	-
Legal services		5,707	6,552
Management accounting expense		18,330	20,830
Office supplies and information technology		11,977	7,226
Printing, postage & stationary		1,500	-
Secretarial fees		513	492
Share registry		11,000	11,000
Website expenses		845	996
		<u>107,898</u>	<u>85,758</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

		Consolidated	
		2025	2024
		\$	\$
6 Communications, public meetings and events			
Advertising		710	850
Contributions to landowner		166	-
Public events and meetings		866	4,084
Other communication expenses		462	633
		<u>2,204</u>	<u>5,567</u>
7 Personnel expenses			
Staff training and welfare		395	-
Wages, salaries and contractors		111,595	123,111
Superannuation contributions		12,833	13,412
Movement in leave provisions		4,625	(7,943)
Workcover		1,072	1,175
		<u>130,520</u>	<u>129,755</u>
8 Depreciation and amortisation			
Depreciation - plant and equipment		527,467	521,857
Depreciation - right-of-use asset		49,524	47,930
		<u>576,991</u>	<u>569,787</u>
9 Interest			
Interest expense on lease liabilities		26,661	26,974
		<u>26,661</u>	<u>26,974</u>
10 Other operating expenses			
Community power hub		-	7,869
Consulting fees		-	2,500
EV charging network		36,548	19,852
Insurance		88,438	82,904
Licence fees		7,031	4,460
Municipal payment in lieu of rates		11,862	5,644
Office expenses		4,429	4,340
Wind farm operation		422,666	337,483
		<u>570,974</u>	<u>465,052</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
11 Community contributions		
Community projects	500	-
Local benefit program	1,400	1,400
Sponsorships	500	500
Provision for community fund programme	4,704	(39,453)
	<u>7,104</u>	<u>(37,553)</u>
12 Income tax expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax expense on profit before income tax at 25% (2024: 25%)	(129,695)	20,447
Add / (less) tax effect of:		
- Over provision for income tax in prior year	-	(825)
- Movement in non deductible provisions	-	(27,128)
Income tax benefit	<u>(129,695)</u>	<u>(7,506)</u>
13 Cash and cash equivalents		
Operating accounts	155,968	125,626
Short-term bank deposits	16,070	16,054
Community fund accounts	28,578	61,244
	<u>200,616</u>	<u>202,924</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
14 Tax assets and liabilities		
(a) Current tax assets		
Current tax receivable	8,700	73,055
	<u>8,700</u>	<u>73,055</u>
(b) Deferred tax assets		
Deferred tax assets/(liabilities) comprise the tax effect of:		
Expenses not deductible until paid	23,598	19,456
Right-of-use asset	34,718	28,503
Tax losses available to set off against future taxable income	115,077	-
Differences in accounting and tax depreciation rates	(944)	(1,274)
Income not assessable until received	(279)	(4,210)
	<u>172,170</u>	<u>42,475</u>
15 Trade and other receivables		
Trade receivables	146,615	166,399
	<u>146,615</u>	<u>166,399</u>
Accrued interest income	1,115	16,839
GST receivable	78,574	-
Prepayments	36,801	30,601
Other receivables	2,500	2,500
	<u>118,990</u>	<u>49,940</u>
	<u>265,605</u>	<u>216,339</u>
16 Inventories		
Large-scale Generation Certificates	72,600	225,953
	<u>72,600</u>	<u>225,953</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
17 Other financial assets		
Bank Term Deposits	1,152,066	2,174,459
Investment bond	62,500	-
	<u>1,214,566</u>	<u>2,174,459</u>
18 Property, plant and equipment		
Wind farm development, compliance and project management		
At cost	326,870	326,870
Accumulated depreciation	(162,885)	(149,810)
	<u>163,985</u>	<u>177,060</u>
Wind farm construction		
At cost	11,154,801	11,154,801
Accumulated depreciation	(6,486,645)	(6,040,607)
	<u>4,668,156</u>	<u>5,114,194</u>
Office and other equipment		
At cost	23,146	23,146
Accumulated depreciation	(16,284)	(15,132)
	<u>6,862</u>	<u>8,014</u>
Future energy generation projects		
At cost	2,279,081	967,819
Accumulated depreciation	(46,943)	(24,193)
	<u>2,232,138</u>	<u>943,626</u>
Rapid earth fault current limiter		
At cost	1,111,307	1,111,307
Accumulated depreciation	(194,908)	(150,456)
	<u>916,399</u>	<u>960,851</u>
Total property, plant and equipment	<u>7,987,540</u>	<u>7,203,745</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Consolidated				
	Wind farm development, compliance and project management	Wind farm construction	Office and other equipment	Future energy generation projects	Rapid earth fault current limiter
	\$	\$	\$	\$	\$
2025					
Balance at the beginning of year	177,060	5,114,194	8,014	943,626	960,851
Additions	-	-	-	1,311,262	-
Depreciation expense	(13,075)	(446,038)	(1,152)	(22,750)	(44,452)
Balance at end of year	<u>163,985</u>	<u>4,668,156</u>	<u>6,862</u>	<u>2,232,138</u>	<u>916,399</u>
2024					
Balance at the beginning of year	190,170	5,561,454	9,558	805,698	1,005,425
Additions	-	-	-	153,297	-
Depreciation expense	(13,110)	(447,260)	(1,544)	(15,369)	(44,574)
Balance at end of year	<u>177,060</u>	<u>5,114,194</u>	<u>8,014</u>	<u>943,626</u>	<u>960,851</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

19 Leases

The Group as a lessee

The group has leases over land and office space. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The Group lease the farm land that the wind turbines are constructed on. The lease was renewed in July 2020 for a five year term and after the reporting date has been renewed with new lease terms for a period of ten years with the option of three further terms of five years. The Group has renewed the lease of office space for a 3 year period on 23 March 2024, with an option of one more term of three years. It is expected that all options for further lease terms will be exercised.

	Consolidated	
	2025	2024
	\$	\$
(a) Right-of-use assets		
Right-of-use asset over land	868,640	853,238
Less accumulated depreciation	(190,366)	(156,638)
	<u>678,274</u>	<u>696,600</u>
Right-of-use asset over buildings	109,552	109,552
Less accumulated depreciation	(34,519)	(18,723)
	<u>75,033</u>	<u>90,829</u>
	<u>753,307</u>	<u>787,429</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

Movement in the carrying amounts for each class of right-of-use asset between the beginning and the end of the current financial year:

	Right-of-use asset over land \$	Right-of-use asset over building \$	Total \$
Consolidated			
2025			
Balance at beginning of year	696,600	90,829	787,429
Revaluation due to changes in lease payments	15,402	-	15,402
Depreciation charge	(33,728)	(15,796)	(49,524)
Balance at end of year	<u>678,274</u>	<u>75,033</u>	<u>753,307</u>
2024			
Balance at beginning of year	705,929	99,722	805,651
Revaluation due to changes in lease payments	23,572	6,136	29,708
Depreciation charge	(32,901)	(15,029)	(47,930)
Balance at end of year	<u>696,600</u>	<u>90,829</u>	<u>787,429</u>

	Consolidated	
	2025	2024
	\$	\$
(b) Lease liabilities		
Current		
Lease liabilities	<u>26,764</u>	<u>24,337</u>
	<u>26,764</u>	<u>24,337</u>
Non current		
Lease liabilities	<u>465,414</u>	<u>477,105</u>
	<u>465,414</u>	<u>477,105</u>
	<u>492,178</u>	<u>501,442</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	Consolidated				Lease liabilities included in this Statement Of Financial Position
	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	
	\$	\$	\$	\$	\$
2025					
Lease liabilities	52,010	204,807	483,021	739,838	492,178
2024					
Lease liabilities	50,443	205,701	510,561	766,705	501,442

(c) Lease amounts in Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	Consolidated	
	2025	2024
	\$	\$
Interest expense on lease liabilities	26,661	26,974
Depreciation of right-of-use assets	49,524	47,930
	76,185	74,904

20 Trade and other payables

Trade payables	317,943	107,261
Accrued expense	7,250	-
Credit card	-	665
GST payable	-	18,058
PAYG withholding payable	720	2,104
Superannuation payable	3,256	3,265
Dividends payable	18,945	19,142
Other payables	129	-
	348,243	150,495

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
21 Provisions		
Current		
Provision for leave entitlements	29,439	25,231
Provision for impact fund programme (i)	53,827	49,123
	83,266	74,354
Non current		
Provision for leave entitlements	621	205
Provision for making good leased land	400,000	400,000
	400,621	400,205
	483,887	474,559

(i) Impact fund

The Co-operative operates an Impact Fund for the purpose of making contributions to local community groups. The Co-operative maintains a separate bank account on behalf of the Impact Fund. The balance of the Impact Fund account and transactions during the year are included in the statement of financial position and statement of comprehensive income of the Co-operative. The amounts applied to (by) the Impact Fund and the provision for the balance of funds available for use by the Impact Fund are set out below:

	Consolidated	
	2025	2024
	\$	\$
Opening community fund balance	49,123	108,513
Contribution by Co-operative	10,000	30,000
Other contributions	2,691	(15,008)
Interest income	3	8
Sponsorships to community groups	(500)	(500)
Local benefit program	(1,400)	(1,400)
Community projects	(500)	-
EV charger asset purchases	(5,590)	(52,490)
Reimbursement of wages	-	(20,000)
	53,827	49,123

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
22 Issued capital		
9,178,505 ordinary shares (2024: 9,238,765)	9,178,505	9,238,765
Share premium reserve	12,392	12,132
	<u>9,190,897</u>	<u>9,250,897</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Co-operative in proportion to the number of shares held. At a meeting of shareholders of the Co-operative each member is entitled to one vote when a poll is called, regardless of the number of shares held.

Issued capital may be required to be treated as a liability if there is a right for members to request redemption, or if a member's funds must be repaid, for example as a result of the member not meeting the active member test. The rules of the Co-operative do not provide for members to request redemption, however, repayment of issued capital may be required within twelve months after a member has been inactive or uncontactable for three years. No issued capital is currently repayable and, accordingly, issued capital has been treated as equity.

Ordinary shares for which application was made after 1 July 2011 have been issued at a premium to the nominal value of \$1.00 per share. Any premium paid for shares issued are allocated to the share premium reserve.

	Consolidated	
	2025	2024
	No.	No.
(a) Ordinary shares		
At the beginning of the reporting period	9,238,765	9,256,422
Shares issued during the year	2,600	3,400
Shares cancelled during the year	(7,322)	(6,057)
Shares bought back during the year	(55,538)	(15,000)
At the end of the reporting period	<u>9,178,505</u>	<u>9,238,765</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	Consolidated	
	2025	2024
	\$	\$
23 Cash flow information		
Reconciliation of net profit for the year to cash flows provided by operating activities:		
Profit/(loss) for the year	(389,087)	89,295
Non-cash flows in profit:		
Depreciation and amortisation	527,467	521,857
Depreciation right-of-use asset	49,524	47,930
Shares cancelled	(7,322)	(6,057)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	29,308	(45,358)
(Increase)/decrease in inventories	153,353	(84,419)
(Increase)/decrease in deferred taxes	(65,340)	(177,202)
Increase/(decrease) in lease liabilities	(24,666)	(22,650)
Increase/(decrease) in trade and other payables	(167,574)	18,949
(Increase)/decrease in provision for employee entitlements	4,624	(7,943)
(Increase)/decrease in provision for community fund grants	4,704	(59,390)
Cashflow from operations	<u>114,991</u>	<u>275,012</u>

24 Matters or circumstances arising after the end of the year

In December 2024, a loan agreement was entered into for the BESS battery project to borrow funds of \$1 million. The first drawdown occurred in July 2025.

During the year, the Group has commenced investing the funds for decommissioning into an investment bond. The balance invested to date is reflected in financial assets in the statement of financial position, with further amounts committed to be invested in the next financial year.

On 26 October 2025, a storm event which included lightning strikes at the wind farm damaged high voltage assets on site. Investigations are ongoing as to the damage and repair.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements
For the Year Ended 30 June 2025

25 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2025	2024
	\$	\$
Financial assets		
Cash and cash equivalents	200,616	202,924
Trade and other receivables	265,605	216,339
Other financial investments	1,214,566	2,174,459
Total financial assets	1,680,787	2,593,722
Financial liabilities		
Trade and other payables	348,245	150,495
Total financial liabilities	348,245	150,495

26 Auditors' remuneration

Remuneration of the auditor, CountPro Audit Pty Ltd, for:
Audit and review of the financial statements

7,250	7,025
7,250	7,025

Remuneration of related entity, CountPro Pty Ltd, for:

Accounting services	19,160	23,390
Management accounting services	18,330	20,830
	37,490	44,220
	44,740	51,245

Accounting and other non-assurance services include financial statement preparation, management reporting and a range of accounting and taxation services. Phillip Brown, Director of CountPro Pty Ltd, is engaged to provide these services. No person involved in the provision of audit services is involved in the provision of non-assurance services to the company.

Notes to the Financial Statements
For the Year Ended 30 June 2025

27 Related party transactions

Related parties

The Group's main related parties are as follows:

Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 28: Key Management Personnel Compensation.

Other related parties
Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

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

28 Key management personnel compensation

The total remuneration paid to key management personnel of the Co-operative and its controlled entities was \$92,406 (2024: \$90,043).

29 Controlled entities

		2025	2024
	Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
Leonards Hill Wind Operations Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

30 Parent entity

The following information has been extracted from the books and records of the parent, Hepburn Community Wind Park Co-operative Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Hepburn Community Wind Park Co-operative Ltd has been prepared on the same basis as the financial statements except as disclosed below.

Notes to the Financial Statements
For the Year Ended 30 June 2025

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Hepburn Community Wind Park Co-operative Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the ‘stand-alone taxpayer’ approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group’s taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2025	2024
	\$	\$
Statement of Financial Position		
Assets		
Current assets	1,324,169	2,385,916
Non-current assets	8,565,676	7,734,946
Total assets	9,889,845	10,120,862
Liabilities		
Current liabilities	126,367	146,752
Non-current liabilities	66,778	80,620
Total liabilities	193,145	227,372
	9,696,700	9,893,490
Equity		
Issued capital	9,190,897	9,250,897
Retained earnings	505,803	642,593
Total equity	9,696,700	9,893,490
Statement of Profit or Loss and Other Comprehensive Income		
Profit/(loss) for the year	(136,790)	182,903
Other comprehensive income	-	-
Total comprehensive income for the year	(136,790)	182,903

Notes to the Financial Statements
For the Year Ended 30 June 2025

31 Contingent assets and liabilities

The Group has a future obligation to decommission the wind farm and remediate the land on which the wind farm operates at the end of life of the wind farm assets. The Group have provided for \$400,000 in decommissioning costs as a provision for make good of the leased land. During the year, the Group has commenced investing the funds for decommissioning into an investment bond. The balance invested to date is shown in financial assets in the statement of financial position, with further amounts committed to be invested in the next financial year. The decommissioning of the wind farm assets is an emerging field in which costs and proceeds from recovered materials cannot reliably be estimated and as a result a contingent liability exists in relation to the future expenses that may be incurred in excess of the amount provided for.

In the opinion of the Directors, the Group did not have any other contingent assets or liabilities at 30 June 2025 or 30 June 2024.

32 Capital commitments

The Group has a capital commitment to the solar farm and battery storage facility located at the Leonards Hill wind farm site, approximately \$670,678 was remaining to be spent on the battery energy storage project and \$36,300 for the solar farm project at 30 June 2025.

33 Co-operative details

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

Hepburn Community Wind Park Co-operative Ltd
107 Vincent Street
Daylesford VIC 3460

Consolidated Entity Disclosure Statement
As At 30 June 2025

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with section 295(3A) of the *Corporations Act 2001*. It includes certain information for Hepburn Community Wind Park Co-operative Ltd and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax residency

Section 295(3A) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers in foreign jurisdictions have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Trust and Partnerships

Australian tax law generally does not contain residency tests for trusts and partnerships and these entities are typically taxed on a flow-through basis. Additional disclosures regarding the tax status of trusts and partnerships have been included where relevant.

Name of entity	Entity Type	Trustee, partner or participant in joint venture	Country of Incorporation	% of share capital	Australian or foreign tax resident	Foreign Jurisdiction of foreign residents
Hepburn Community Wind Park Co-operative Ltd	Co-operative	n/a	Australian	n/a	Australian	n/a
Leonards Hill Wind Operations Pty Ltd	Company	n/a	Australian	100%	Australian	n/a

Directors' Declaration

The directors of the Co-operative declare that:

- The financial statements and notes, as set out on pages 8 to 36 are in accordance with the *Corporations Act 2001* and:
 - comply with Accounting Standards - Simplified Disclosures; and
 - give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Co-operative and its controlled entity.
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.
- In the directors' opinion, there are reasonable grounds to believe that the Co-operative and its controlled entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.


Director:
David Perry


Director:
Philip Sherlock

Dated: 30 October 2025

Independent Audit Report to the members of Hepburn Community Wind Park Co-operative Ltd

Opinion

We have audited the financial report of Hepburn Community Wind Park Co-operative Ltd (the Co-operative) and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

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 Group 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Co-operative, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Co-operative are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

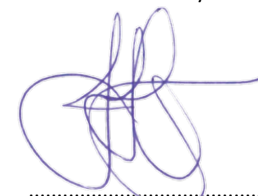
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 Entity'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 Entity'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 Entity 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.

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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd



Jason Hargreaves
Director

180 Eleanor Drive, Lucas, VIC 3350

Dated: 31 October 2025

2025 Financials

Leonards Hill Wind

Operations Pty Ltd

Leonards Hill Wind Operations Pty Ltd

ABN 86 141 239 894

Financial Statements

For the Year Ended 30 June 2025

Leonards Hill Wind Operations Pty Ltd

ABN 86 141 239 894

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For the Year Ended 30 June 2025

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Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
to the Directors of Leonards Hill Wind Operations Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

Jason Hargreaves
Director

180 Eleanor Drive, Lucas, VIC 3350

Dated: 17 October 2025

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue	4	761,275	875,058
Administrative expenses	5	(33,815)	(29,759)
Depreciation and amortisation expense	6	(538,445)	(539,389)
Interest	7	(20,098)	(19,799)
Other operating expenses	8	(505,312)	(410,922)
Profit loss before income tax		(336,395)	(124,811)
Income tax benefit	9	84,099	31,203
Loss for the year		(252,296)	(93,608)
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(252,296)	(93,608)

Statement of Financial Position
As At 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	134,761	96,013
Current tax assets	11(a)	-	13,480
Trade and other receivables	12	230,555	176,992
Inventories	13	72,600	225,953
Total current assets		437,916	512,438
Non-current assets			
Deferred tax assets	11(b)	111,605	27,506
Property, plant and equipment	14	7,765,652	6,964,697
Right-of-use assets	15(a)	678,274	696,600
Total non-current assets		8,555,531	7,688,803
Total assets		8,993,447	8,201,241
Liabilities			
Current liabilities			
Trade and other payables	16	319,399	96,581
Lease liabilities	15(b)	12,506	11,479
Total current liabilities		331,905	108,060
Non-current liabilities			
Borrowings	17	8,208,169	7,390,079
Lease liabilities	15(b)	399,257	396,690
Provisions	18	400,000	400,000
Total non-current liabilities		9,007,426	8,186,769
Total liabilities		9,339,331	8,294,829
Net assets		(345,884)	(93,588)
Equity			
Issued capital	19	20	20
Accumulated losses		(345,904)	(93,608)
Total equity		(345,884)	(93,588)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2025

	Issued capital \$	Accumulated losses \$	Total \$
2025			
Balance at 1 July 2024	20	(93,608)	(93,588)
Loss attributable to members	-	(252,296)	(252,296)
Balance at 30 June 2025	20	(345,904)	(345,884)
2024			
Balance at 1 July 2023	20	-	20
Loss attributable to members	-	(93,608)	(93,608)
Balance at 30 June 2024	20	(93,608)	(93,588)

The accompanying notes form part of these financial statements.

For the Year Ended 30 June 2025

	2025	2024
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers	937,132	739,069
Payments to suppliers and employees	(711,317)	(441,602)
Interest received	90	61
Income tax received / (paid)	13,480	(93,096)
Net cash provided by operating activities	21 239,385	204,432
Cash flows from investing activities:		
Payments for property, plant and equipment	(1,018,727)	(92,266)
Net cash used in investing activities	(1,018,727)	(92,266)
Cash flows from financing activities:		
Net borrowings from related party	818,090	-
Net repayments of related party loans	-	(376,271)
Net repayments of bank loans	-	(1)
Net cash used in financing activities	818,090	(376,272)
Net increase/(decrease) in cash and cash equivalents held	38,748	(264,106)
Cash and cash equivalents at beginning of year	96,013	360,119
Cash and cash equivalents at end of financial year	10 134,761	96,013

The accompanying notes form part of these financial statements.

For the Year Ended 30 June 2025

The financial statements are for Leonards Hill Wind Operations Pty Ltd as an individual entity. Leonards Hill Wind Operations Pty Ltd is a for profit proprietary company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 24 October 2025 by the Director of the Company.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Summary of material accounting policies

(a) **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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(b) Inventories

The company receives Large-scale Generation Certificates (LGCs) arising from its generation of renewable energy, which it holds available for sale. The LGCs have been valued using the Mercari Mid Point Index Spot Price at which the LGCs could be sold immediately following the balance date.

All other items of inventory are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a prime cost or diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The asset's residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

(d) Intangibles and amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Notes to the Financial Statements
For the Year Ended 30 June 2025

(e) Financial instruments

Classification

On initial recognition the company classifies its financial assets, according to the basis on which they are measured, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Notes to the Financial Statements
For the Year Ended 30 June 2025

Credit losses are measured as the present value of the difference between the cash flows due to the company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which 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 30 June 2025

(g) Income tax

The company is a member of the Hepburn Community Wind Park Co-operative Ltd income tax consolidated group. All members of the income tax consolidated group are taxed as a single entity.

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit). Each entity in the income tax consolidated group reports its contribution to the income tax expense (benefit) of the consolidated group. Tax losses incurred by members of the income tax consolidated group are applied to reduce any tax payable by the other entities in the income tax group prior to giving rise to deferred tax assets.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(h) Leases

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement (If the supplier has a substantive substitution right then there is no identified asset),
- the company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and
- the company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(i) Revenue and other income

Revenue is recognised under AASB 15 on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are initially credited to deferred income at fair value and are credited to income as the expenditure on the assets required to satisfy the grant conditions are met.

(j) Borrowing costs

Borrowing costs are recorded as intangible assets and are amortised over the shorter of the life of the related borrowings or five years.

Notes to the Financial Statements
For the Year Ended 30 June 2025

(k) 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 relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparative figures

Comparative figures are consistent with prior years unless otherwise stated in the notes.

3 Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - impairment of property, plant and equipment

At the end of each reporting period The Company assesses impairment by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets based on various assumptions. These determinations and assessment may change as further information is obtained.

Notes to the Financial Statements
For the Year Ended 30 June 2025

Key judgments - lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Key judgments - deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
4 Revenue		
Revenue from contracts with customers		
<i>Revenue from ordinary operations</i>		
Sale of goods	914,468	790,591
	<u>914,468</u>	<u>790,591</u>
Other revenue		
Interest income	90	47
Movement in inventories	(153,353)	84,419
Other income	70	1
	<u>(153,193)</u>	<u>84,467</u>
	<u>761,275</u>	<u>875,058</u>
Disaggregation of revenue from contracts with customers		
(a) Timing of revenue recognition		
At a point in time	914,468	790,591
	<u>914,468</u>	<u>790,591</u>
(b) Type of contract		
Sale of goods - Electricity	336,546	391,094
Sale of goods - Large-scale Generation Certificates	254,500	238,078
Sale of goods - Transmission use of system income	43,785	30,297
Sale of goods - PPA bundle assemble	248,725	101,138
Sale of goods - Residential allocation	30,912	29,984
	<u>914,468</u>	<u>790,591</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
5 Administrative expenses		
Accounting fees	9,450	11,480
Advertising	1,500	-
Audit fees	7,138	3,325
Bank charges	1	-
Bookkeeping	3,957	4,229
Legal services	2,283	-
Management accounting expense	9,165	10,415
Secretarial fees	321	310
	<u>33,815</u>	<u>29,759</u>
6 Depreciation and amortisation		
Depreciation - plant and equipment	504,717	506,488
Depreciation - right-of-use asset	33,728	32,901
	<u>538,445</u>	<u>539,389</u>
7 Interest		
Interest expense on lease liabilities	20,098	19,799
	<u>20,098</u>	<u>19,799</u>
8 Other operating expenses		
Consulting fees	-	2,500
Insurance	67,484	63,495
Licence fees	3,300	1,800
Municipal payment in lieu of rates	11,862	5,644
Wind farm operation	422,666	337,483
	<u>505,312</u>	<u>410,922</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
9 Income tax expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	(84,099)	(31,203)
	<u>(84,099)</u>	<u>(31,203)</u>
10 Cash and cash equivalents		
Operating accounts	<u>134,761</u>	<u>96,013</u>
	<u>134,761</u>	<u>96,013</u>
11 Tax assets and liabilities		
(a) Current tax assets		
Current tax receivable	-	13,480
	<u>-</u>	<u>13,480</u>
(b) Deferred tax assets		
Deferred tax assets (liabilities) comprise the tax effect of:		
Right-of-use asset	33,373	27,893
Tax losses available to set off against future taxable income	77,702	-
Expenses not deductible until paid	906	-
Differences in accounting and tax depreciation rates	(376)	(387)
	<u>111,605</u>	<u>27,506</u>
12 Trade and other receivables		
Trade receivables	132,047	154,641
GST receivable	76,607	-
Prepayments	21,901	22,351
	<u>230,555</u>	<u>176,992</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
13 Inventories		
Large-scale Generation Certificates	<u>72,600</u>	<u>225,953</u>
	<u>72,600</u>	<u>225,953</u>
14 Property, plant and equipment		
Wind farm development, compliance and project management		
At cost	326,870	326,870
Accumulated depreciation	(162,885)	(149,810)
	<u>163,985</u>	<u>177,060</u>
Wind farm construction		
At cost	11,154,801	11,154,801
Accumulated depreciation	(6,486,645)	(6,040,607)
	<u>4,668,156</u>	<u>5,114,194</u>
Office and other equipment		
At cost	23,146	23,146
Accumulated depreciation	(16,284)	(15,132)
	<u>6,862</u>	<u>8,014</u>
Future energy generation projects		
At cost	<u>2,010,250</u>	<u>704,578</u>
	<u>2,010,250</u>	<u>704,578</u>
Rapid earth fault current limiter		
At cost	1,111,307	1,111,307
Accumulated depreciation	(194,908)	(150,456)
	<u>916,399</u>	<u>960,851</u>
Total property, plant and equipment	<u>7,765,652</u>	<u>6,964,697</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

(a) Movements in carrying amounts of property, plant and equipment

The movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Wind farm development, compliance and project management	Wind farm construction	Office and other equipment	Future energy generation projects	Rapid earth fault current limiter	Total
2025						
Balance at the beginning of year	177,060	5,114,194	8,014	704,578	960,851	6,964,697
Additions	-	-	-	1,305,672	-	1,305,672
Depreciation expense	(13,075)	(446,038)	(1,152)	-	(44,452)	(504,717)
Balance at the end of the year	163,985	4,668,156	6,862	2,010,250	916,399	7,765,652
2024						
Balance at the beginning of year	190,170	5,561,454	9,558	591,946	1,005,425	7,358,553
Additions	-	-	-	112,632	-	112,632
Depreciation expense	(13,110)	(447,260)	(1,544)	-	(44,574)	(506,488)
Balance at the end of the year	177,060	5,114,194	8,014	704,578	960,851	6,964,697

Notes to the Financial Statements
For the Year Ended 30 June 2025

15 Leases

Company as a lessee

The Company has lease over land. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The company leases the farm land that the wind turbines are constructed on. The lease was renewed in July 2020 for a five year term and after the reporting date has been renewed with new lease terms for a period of ten years with the option of three further terms of five years. It is expected that all options for further lease terms will be exercised.

	2025	2024
	\$	\$
(a) Right-of-use assets		
Right-of-use asset over land	868,640	853,238
Less accumulated depreciation	(190,366)	(156,638)
	678,274	696,600

The movement in carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year:

Balance at the beginning of the year	696,600	705,929
Revaluation due to changes in lease payments	15,402	23,572
Depreciation charge	(33,728)	(32,901)
	678,274	696,600

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
(b) Lease liabilities		
Current		
Lease liabilities	12,506	11,479
	<u>12,506</u>	<u>11,479</u>
Non current		
Lease of land	399,257	396,690
	<u>399,257</u>	<u>396,690</u>
	<u>411,763</u>	<u>408,169</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2025					
Lease liabilities	32,201	128,804	483,023	644,028	411,763
	<u>32,201</u>	<u>128,804</u>	<u>483,023</u>	<u>644,028</u>	<u>411,763</u>
2024					
Lease liabilities	31,023	124,091	496,361	651,475	408,169
	<u>31,023</u>	<u>124,091</u>	<u>496,361</u>	<u>651,475</u>	<u>408,169</u>

(c) Lease amounts in statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2025	2024
	\$	\$
Interest expense on lease liabilities	20,098	19,799
Depreciation of right-of-use assets	33,728	32,901
	<u>53,826</u>	<u>52,700</u>

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
16 Trade and other payables		
Trade payables	315,774	72,898
Accrued expense	3,625	-
GST payable	-	23,683
	<u>319,399</u>	<u>96,581</u>
17 Borrowings		
Loans from related entity:		
Hepburn Community Wind Park Co-operative Ltd	8,208,169	7,390,079
	<u>8,208,169</u>	<u>7,390,079</u>
18 Provisions		
Provision for making good leased land	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
19 Issued capital		
20 ordinary shares (2024: 20 ordinary shares)	20	20
	<u>20</u>	<u>20</u>

20 Dividends

No dividends were declared and paid to the parent entity during the financial year (2024: nil).

Notes to the Financial Statements
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
21 Cash flow information		
Reconciliation of net result for the year to cash flows provided by operating activities:		
Loss for the year	(252,296)	(93,608)
Non-cash flows in profit:		
Depreciation and amortisation	504,717	506,488
Depreciation right-of-use asset	33,728	32,901
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	23,044	(52,444)
(Increase)/decrease in inventories	153,353	(84,419)
Increase/(decrease) in lease liabilities	(11,808)	(10,786)
Increase/(decrease) in trade and other payables	(140,734)	30,599
Increase/(decrease) in income taxes payable	13,480	(106,577)
Increase/(decrease) in deferred taxes payable	(84,099)	(17,722)
	<u>239,385</u>	<u>204,432</u>

22 Matters or circumstances arising after the end of the year

On 26 October 2025, a storm event which included lightning strikes at the wind farm damaged high voltage assets on site. Investigations are ongoing as to the damage and repair.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Notes to the Financial Statements
For the Year Ended 30 June 2025

23 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2025	2024
	\$	\$
Financial Assets		
Cash and cash equivalents	134,761	96,013
Trade and other receivables	<u>230,555</u>	<u>176,992</u>
Total financial assets	<u>365,316</u>	<u>273,005</u>
Financial Liabilities		
Trade and other payables	319,399	96,581
Borrowings	<u>8,208,169</u>	<u>7,390,079</u>
Total financial liabilities	<u>8,527,568</u>	<u>7,486,660</u>

24 Auditors' remuneration

Remuneration of the auditor, CountPro Audit Pty Ltd, for:
Audit and review of the financial statements

	3,625	3,512
	<u>3,625</u>	<u>3,512</u>

Remuneration of related entity, CountPro Pty Ltd, for:

Accounting services	9,450	11,480
Management accounting services	<u>9,165</u>	<u>10,415</u>
	<u>18,615</u>	<u>21,895</u>
	<u>22,240</u>	<u>25,407</u>

Accounting and other non-assurance services include financial statement preparation, management reporting and a range of accounting and taxation services. Phillip Brown, Director of CountPro Pty Ltd, is engaged to provide these services. No person involved in the provision of audit services is involved in the provision of non-assurance services to the company.

Directors' Report
For the Year Ended 30 June 2025

Environmental issues

The Company's operations are subject to significant environmental regulations under the laws of the Commonwealth of Australia and State of Victoria. As a condition of the wind farm's planning permit, the company has implemented the following plans:

- (i) Environmental Management Plan
- (ii) Bird and Bat Monitoring Plan
- (iii) Preliminary Off-site Landscaping and Visual Screening Plan
- (iv) On-site Landscape and Visual Screening Plan
- (v) Heritage Management Protection Plan
- (vi) Fire Management Plan
- (vii) Noise Compliance Plan

Where applicable, these plans have been endorsed by Hepburn Shire Council as the responsible planning authority. The plans have been implemented by the company to the satisfaction of the responsible authority.

Indemnification and insurance of officers

Insurance premiums were paid during the financial year for indemnity insurance for directors and officers of the company.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2025, in accordance with section 307C of the *Corporations Act 2001*, has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Director:



Director:
David Perry

Dated: 30 October 2025

Leonards Hill Wind Operations Pty Ltd

Independent Audit Report to the members of Leonards Hill Wind Operations Pty Ltd

Opinion

We have audited the financial report of Leonards Hill Wind Operations Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

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 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that 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 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 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 to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

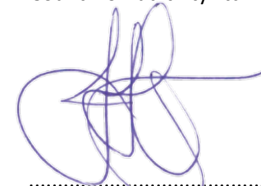
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 Entity'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 Entity'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 Entity 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.

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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd



Jason Hargreaves
Director

180 Eleanor Drive, Lucas, VIC 3350

Dated: 31 October 2025

