Annual Report 2026

Avoca District Co-operative Limited

Community Bank
Avoca, Maryborough and St Arnaud

ABN 82 022 501 598

Introduction

The Community Bank Avoca, Maryborough and St Arnaud is a locally owned and operated bank that gives back the majority of its profits to the local community.

Community Bank Avoca, Maryborough and St Arnaud is locally owned and operated, with the majority of profits reinvested into the communities we serve.

Avoca District Co-operative Limited (ADCL) operates our Community Bank under a franchise agreement with Bendigo Bank.

Our story began in 1998, when local people invested in the establishment of a Community Bank in Avoca. Their support made it possible to open Victoria's sixth Community Bank branch in 1999. Maryborough followed in 2006, with ADCL taking on the St Arnaud agency in 2010.

As a co-operative, we refer to our owners as members rather than shareholders. Our members helped establish ADCL and remain a valued part of our organisation more than 27 years later. Their original investment laid the foundation for the community benefits we continue to deliver today.

ADCL is governed by a local Board of Directors, who volunteer their time and expertise, supported by the Executive Officer.



Introduction

Our professional branch team provides personal service, helping customers achieve their financial goals through Bendigo Bank's range of banking and financial products.

The Community Bank model follows a 'profit-for-purpose' approach, reinvesting profits generated through local banking into community projects, grants and sponsorships.

ADCL is a certified social enterprise through Social Traders, recognising our commitment to using business profits to benefit our communities.

Since 1999, we have invested more than $2.8 million into the Avoca, Maryborough and St Arnaud communities.



$2.8 million
reinvested since 1999

75
projects supported 25/26

$213k
reinvested 25/26

Chair's Report

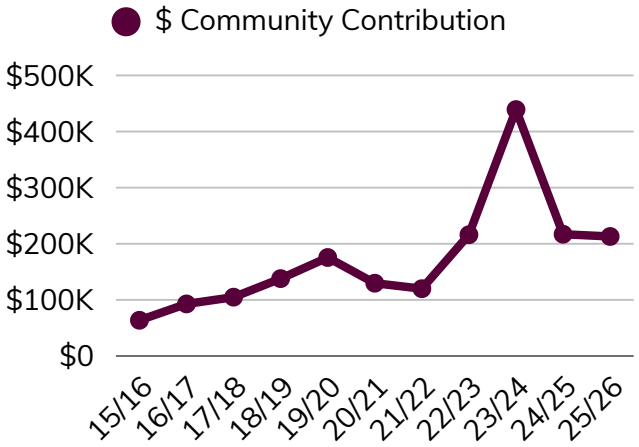


I am pleased to present this report for the year ending 30 June 2026.

This year has been another important chapter in our proud history of community banking, and our ongoing success continues to be powered by the people who believe in what we do: our members, customers, staff, and community partners.

I am pleased to report another successful year for the Co-operative. While our overall profit attributable to members reduced compared to last year, our profit before community contributions increased. We achieved a solid profit after tax of $225,012 for the year.

This year, we contributed $315,789 to the Bendigo Bank Community Foundation and distributed $213,428 to community-led projects, sponsorships and donations. Our commitment to local investment ensures that we deliver on our core purpose by offering substantial, ongoing support to our local community organisations.



Key projects included our third consecutive year supporting Energy Breakthrough's volunteer program, funding for the Amphitheatre CFA Fire Brigade, and the Royal Flying Doctor Service Victoria's patient transport program in St Arnaud. We also supported improvements to community facilities, local sporting clubs, schools and initiatives that bring people together across Avoca, Maryborough and St Arnaud.



Chair's Report

A major development during the financial year was Bendigo Bank's announcement that they would retire the agency model and remaining agency premises. The Co-operative acted quickly and successfully applied to continue operating the St Arnaud branch. In October 2025, we officially implemented the "Lite Touch" cash-less office model. Although this is a reduction in services, it ensures that our St Arnaud customers continue to have access to dedicated, face-to-face local support for their other banking needs. With support from staff and the Board, we have increased our investment and visibility in St Arnaud to demonstrate our commitment to the town and surrounding district.



Following our 2026 Board Review, our Board culture remains a significant strength, characterised by high levels of trust, collaboration, and mutual respect. Directors maintain strong confidence in our governance framework and strategic alignment. Looking ahead, we are prioritising professional development and formalising our board succession planning framework to ensure we continue to attract and develop future directors for long-term continuity.



I would like to extend my sincere thanks to my fellow directors for their dedication, guidance, and teamwork throughout the year. Director Kris Meuwissen retired from the Board in June and we thank him for his incredibly valuable three-year contribution.

Chair's Report

I also wish to thank Julie Driscoll, our Executive Officer, for her continued professionalism and vital contributions across governance, community engagement, and board support.

To our wonderful staff, led by Branch Manager Joel Condon: thank you for another year of exceptional service. The team successfully navigated a year that wasn't always straightforward, and your commitment to our community values remains outstanding.

Finally, to our members and customers, thank you for your continued trust. By choosing to bank locally, you ensure that profits stay local and continue to make a real difference where it matters most.

Donna Wardlaw
Chair



Branch Manager's Report



I'm pleased to report another successful year for Community Bank Avoca, Maryborough and St Arnaud, with strong results across the business.

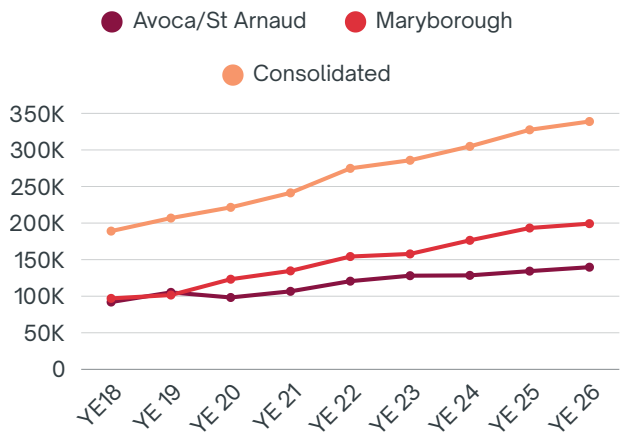
Having a stable branch team and Board of Directors throughout the year has helped us maintain our focus on providing great service to our customers while continuing to grow the business.

Despite increasing competition from online banks and mortgage brokers, we achieved net growth of $10.64 million in business on books, taking our total footings to more than $337 million.

Other highlights for the year included continued growth in lending and deposits, meeting our insurance targets, and achieving our goals for managed funds and financial planning referrals.

One of the biggest changes this year was the transition of our St Arnaud Agency to a cashless office following Bendigo Bank's decision to close its agency network. While this presented some challenges, we were pleased to retain a local presence and continue offering customers face-to-face support for their banking and lending needs. I'd particularly like to acknowledge Kristy and the team for their flexibility and commitment to supporting customers throughout the transition.

I'm particularly proud of the team's ongoing commitment to risk management and compliance. This is an important part of our everyday work and helps ensure our customers can continue to bank with confidence.



Footings Year End
Figures reported in $'000's

Branch Manager's Report

During the year, we also held several Bank Safely Online information sessions to help community members recognise scams and stay safe when banking online. These sessions were well received, and we hope to reach more community groups in the coming year.

I'd like to sincerely thank our team: Aley, Kristy, Deanne, Nancye, Courtney, Zoe, Holly and Hannah. Their hard work, commitment to our customers and willingness to support each other have contributed greatly to another successful year.

During the year, we farewelled Rebekah and Jacqui, and I thank them both for their contributions to our Community Bank. We were also pleased to welcome Shannon to the team in June.



I would also like to thank Regional Manager Leanne Martin and the wider Bendigo Bank team for their continued support, along with our Board of Directors for their guidance throughout the year.

Looking ahead, we know the banking industry will continue to change, and we will need to adapt to meet the changing needs of our customers. Our focus remains on growing the business, providing personal service and supporting the success of our Community Bank.



Finally, thank you to our customers for choosing to bank with Community Bank Avoca, Maryborough and St Arnaud. Your support allows us to continue providing local banking services while generating profits that can be reinvested into the communities we serve.

Joel Condon
Branch Manager

CBNC: Supporting Local Leadership and National Strategy

On behalf of the Community Bank network, we acknowledge and thank our shareholders for your continued support. The Community Bank model remains one of the most distinctive in Australian banking, combining commercial strength with genuine community purpose.

Over the past year, the Community Bank National Council (CBNC) has continued its important role as the conduit between Community Bank companies and Bendigo Bank (BEN). As the formally recognised representative body of the network, the CBNC ensures the voice of local directors is heard in national discussions, while keeping Community Bank companies informed on strategic developments that shape our future.

Supporting BEN's 2030 Strategy
The Community Bank model continues to evolve as part of BEN's 2030 strategy, with a focus on long-term strength and sustainability. A jointly led BEN and CBNC Model Evolution project has enabled the CBNC to engage deeply with the network seeking feedback on the challenges and opportunities ahead. The priority being given to this ongoing work reflects the importance of Community Banks to BEN's success and commitment to local communities.

Gathering in our nation's capital
Last September, more than 500 directors representing 142 Community Bank companies from every state and territory came together for the Community Bank National Conference. It was one of the largest gatherings of our network in recent years, and the CBNC played a key role in contributing to the agenda.

The conference created space for open dialogue between directors and BEN executives, while also reinforcing the unique value of the Community Bank model. For many, it was also a timely reminder of the strength of peer connection - the opportunity to share challenges, exchange ideas, and look to the future.

Social enterprise leadership
With an entrenched "profit for purpose" approach, the Community Bank moves beyond traditional banking by helping to sustain local economies. The combined community impact of this approach is significant, with several recent examples evidenced across the network.

The partnership between the Bendigo Bank Community Foundation and the Australian Centre for Rural Entrepreneurship (ACRE) is just one example. It demonstrated what collective action can achieve through the buyback of the Old Beechworth Gaol.

The community asset buyback was supported by $8.6 million in capital, including $2.2 million from BEN and Community Bank companies. It has created a nationally significant example of community ownership in action and provides a tangible example of our social enterprise leadership.

New 'Community Link' feature returns profits to communities
As customer expectations evolve, BEN continues to invest in digital capability while protecting the strength of local connection. A clear example is Community Link, a new feature introduced to the Bank's App during the past year.

The feature allows new customers, who join digitally, to nominate a community or corporate branch as their home branch. Customers can have the satisfaction they're contributing to a community they care about without having to set foot in a branch to do so.

The CBNC have been very supportive of this new feature which powerfully bridges BEN's digital future with its renowned community focus. In many ways, it reinforces BEN's commitment to innovation, while serving its core purpose to feed into the prosperity of the community.

Together, these initiatives demonstrate the enduring strength of the Community Bank model in balancing both commercial success with community impact. As the network continues to evolve, the CBNC remains committed to ensuring the network has a strong voice in shaping the future. We thank shareholders for the ongoing support that makes this unique model possible.

Community Bank Report 2026
BEN message

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than $51.7 million was invested back into local communities, adding to a total of $467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than $1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. BEN30MI025 (1363488) (03/20)

Avoca District Co-operative Limited

ABN 82 022 501 598

Financial Statements

For the Year Ended 30 June 2026

Avoca District Co-operative Limited
ABN 82 022 501 598

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For the Year Ended 30 June 2026

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Avoca District Co-operative Limited
ABN 82 022 501 598

Directors' Report

For the Year Ended 30 June 2026

The directors present their report together with the financial statements of the Avoca District Co-operative Limited for the financial year ended 30 June 2026.

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Donna Wardlaw	Qualifications and experience: Graphic Designer/Business Owner Interest in shares and options: Owner of 20 shares Special Responsibilities: Chairperson
Craig Millar	Qualifications and experience: Graduate of Australian Institute of Company Directors Interest in shares and options: Owner of 50 shares Special responsibilities: Deputy Chairperson
Carl Leach	Qualifications and experience: Site Manager Interest in shares and options: Owner of 10 shares
Dianne Thiele	Qualifications and experience: Retailer Interest in shares and options: Owner of 10 shares
Graeme J. Porter	Qualifications and experience: Master Builder Interest in shares and options: Owner of 258 shares
Kate Ashton	Qualifications and experience: Real Estate Agent Interest in shares and options: Owner of 10 shares
Kristopher Meuwissen	Qualifications and experience: Financial advisor and business owner Interest in shares and options: Owner of 10 shares Resigned 5 June 2026
Naomi Medlyn	Qualifications and experience: CPA and Business Owner Interest in shares and options: Owner of 10 shares
Sarah Broad	Qualifications and experience: Administration Interest in shares and options: Owner of 10 shares
Scott Wilson	Qualifications and experience: Director of Support Services Interest in shares and options: Owner of 10 shares

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Avoca District Co-operative Limited
ABN 82 022 501 598

Directors' Report

For the Year Ended 30 June 2026

Principal activities

The principal activities of the Co-operative during the financial year were to provide suitable premises, furniture, equipment, staff and other resources to enable the operation of the Community Bank in Avoca, Maryborough and St Arnaud, by way of management contracts and franchise agreements with Bendigo and Adelaide Bank Limited.

There were no significant changes in the nature of the Co-operative's principal activities during the financial year.

Operating results

The Co-operative's operating profit before marketing, sponsorships and community contributions increased by 9% to $677,667 (2025: $622,966). Profit after tax decreased to $223,688 (2025: $344,773), reflecting the Board's decision to substantially increase the contribution to the Community Enterprise Foundation to $315,789 (2025: $105,562). This continues the Co-operative's commitment to supporting local community organisations, while still delivering a solid return to members.

The result of the Co-operative for the year was a profit after tax of $223,688 (2025: $344,773), as detailed below:

	2026	2025
	$	$
Profit before tax and advertising, marketing and sponsorships	**677,667**	622,966
Less grants, marketing and sponsorship	**(62,140)**	(56,539)
Less Community Enterprise Foundation contributions	**(315,789)**	(105,562)
Profit before tax	**299,738**	460,865
Less income tax expense	**(76,050)**	(116,092)
Profit attributable to members of the Co-operative	**223,688**	344,773

Dividends paid or recommended

Dividends and bonuses paid or recommended for payment since the start of the financial year are as follows:

- A 5% fully franked dividend was paid during the year as recommended in last year's report.
- A 5% fully franked dividend is recommended for payment out of retained earnings in relation to the year ended 30 June 2026.

No options over shares issued or interest in the Co-operative were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Significant changes in state of affairs

During the financial year, Bendigo and Adelaide Bank announced they would be retiring the agency model and remaining agency facilities. Avoca District Co-operative Ltd were successful in their application to continue to operate the St Arnaud branch, and the Lite Touch (cashless) office model was implemented in October 2025. The costs associated with the setup of the Lite Touch model have been capitalised and are included in property, plant and equipment.

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

Directors' Report

For the Year Ended 30 June 2026

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in future financial years.

Future developments and results

Likely developments in the operations of the Co-operative and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Co-operative.

Environmental issues

The Co-operative's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Co-operative secretary

The position of Co-operative secretary at the end of financial year was held by Julie Driscoll, who has held the position since her appointment in July 2012. Since October 2019, Julie has also performed the role of the Executive Officer of the Co-operative.

Meetings of directors

During the financial year, 11 meetings of directors (not including director committee meetings) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance Committee		Governance Committee		Human Resource Committee		Community Impact Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Donna Wardlaw	11	10	-	-	4	4	1	1	-	-
Craig Millar	11	10	7	6	4	4	-	-	-	-
Carl Leach	11	8	-	-	4	2	1	-	-	-
Dianne Thiele	11	8	-	-	-	-	1	1	6	4
Graeme J. Porter	11	7	-	-	-	-	-	-	-	-
Kate Ashton	11	7	-	-	4	2	1	-	6	4
Kristopher Meuwissen	11	8	7	4	-	-	1	-	6	3
Naomi Medlyn	11	9	7	6	-	-	-	-	-	-
Sarah Broad	11	7	-	-	-	-	-	-	6	5
Scott Wilson	11	8	-	-	4	3	1	-	6	5

Avoca District Co-operative Limited
ABN 82 022 501 598

Directors' Report

For the Year Ended 30 June 2026

Indemnification and insurance of officers and auditors

No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer or auditor of Avoca District Co-operative Limited. During the financial year the Co-operative has paid a premium in respect on a contract insuring the directors against certain liabilities. The contract prohibits the disclosure of the nature of the liabilities and the amount of the premium.

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 intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2026 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Directors:

Director: ..... Director: .....

Donna Wardlaw Naomi Medlyn

Dated: 9 November 2026

Avoca District Co-operative Limited
ABN 82 022 501 598

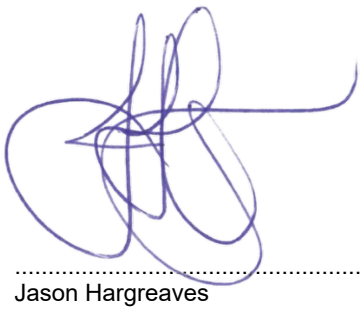
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Avoca District Co-operative Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, 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: 6 November 2026

Avoca District Co-operative Limited
ABN 82 022 501 598

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue and other income	4	**2,172,206**	2,081,860
Administration expenses	5	**(135,681)**	(126,392)
Depreciation and amortisation	6	**(97,114)**	(110,436)
Employment expenses	7	**(1,066,107)**	(1,000,646)
Finance costs	8	**(11,738)**	(9,016)
Information technology costs		**(48,574)**	(44,462)
Motor vehicle expenses		**(18,762)**	(12,412)
Occupancy costs		**(76,322)**	(66,897)
Service delivery costs		**(40,241)**	(88,633)
Operating profit before advertising, marketing and sponsorships		**677,667**	622,966
Marketing, sponsorship and community contributions	9	**(377,929)**	(162,101)
Profit before income tax		**299,738**	460,865
Income tax expense	10	**(76,050)**	(116,092)
Profit for the year		**223,688**	344,773
Other comprehensive income			
Other comprehensive income, net of income tax		**-**	-
Total comprehensive income for the year		**223,688**	344,773

The accompanying notes form part of these financial statements.

Avoca District Co-operative Limited
ABN 82 022 501 598

Statement of Financial Position

As At 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	13	**1,163,771**	801,524
Trade and other receivables	14	**215,295**	188,737
Current tax receivable	15(a)	**23,391**	-
Other assets	16	**10,480**	11,361
Total current assets		**1,412,937**	1,001,622
Non-current assets			
Property, plant and equipment	17	**915,545**	783,017
Deferred tax assets	15(b)	**20,445**	16,457
Intangible assets	18	**69,598**	97,638
Total non-current assets		**1,005,588**	897,112
Total assets		**2,418,525**	1,898,734
Liabilities			
Current liabilities			
Trade and other payables	19	**470,850**	124,716
Current tax liabilities	15(c)	**-**	70,271
Employee benefits	21	**98,544**	94,780
Lease liabilities	22(b)	**26,988**	20,190
Total current liabilities		**596,382**	309,957
Non-current liabilities			
Trade and other payables	19	**28,039**	56,078
Borrowings	20	**-**	19,896
Employee benefits	21	**4,061**	5,207
Lease liabilities	22(b)	**122,608**	34,833
Total non-current liabilities		**154,708**	116,014
Total liabilities		**751,090**	425,971
Net assets		**1,667,435**	1,472,763
Equity			
Issued capital	23	**380,320**	390,320
Retained earnings		**1,287,115**	1,082,443
Total equity		**1,667,435**	1,472,763

The accompanying notes form part of these financial statements.

Avoca District Co-operative Limited
ABN 82 022 501 598

Statement of Changes in Equity
For the Year Ended 30 June 2026

2026

	Note	Issued capital $	Retained Earnings $	Total $
Balance at 1 July 2025		**390,320**	**1,082,443**	**1,472,763**
Profit attributable to members of the Co-operative		**-**	**223,688**	**223,688**
Shares bought back during the year		**(10,000)**	**-**	**(10,000)**
Dividends paid or provided for	24(a)	**-**	**(19,016)**	**(19,016)**
Balance at 30 June 2026		**380,320**	**1,287,115**	**1,667,435**

2025

	Note	Issued capital $	Retained Earnings $	Total $
Balance at 1 July 2024		391,120	768,928	1,160,048
Profit attributable to members of the Co-operative		-	344,773	344,773
Shares bought back during the year		(800)	-	(800)
Dividends paid or provided for	24(a)	-	(31,258)	(31,258)
Balance at 30 June 2025		390,320	1,082,443	1,472,763

The accompanying notes form part of these financial statements.

Avoca District Co-operative Limited
ABN 82 022 501 598

Statement of Cash Flows
For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities:			
Receipts from customers		**2,316,432**	2,266,472
Payments to suppliers and employees		**(1,691,790)**	(1,717,680)
Interest received		**32,599**	34,101
Income taxes paid		**(173,700)**	(133,025)
Other receipts and contributions		**2,149**	1,660
Interest paid		**(154)**	(3,173)
Net cash provided by operating activities	28	**485,536**	448,355
Cash flows from investing activities:			
Payments for plant and equipment		**(84,290)**	(315,545)
Proceeds from disposal of plant and equipment		**9,398**	114
Net cash used in investing activities		**(74,892)**	(315,431)
Cash flows from financing activities:			
Proceeds from borrowings		**-**	227,500
Repayment of borrowings		**(19,896)**	(207,604)
Payment for shares bought back		**(10,000)**	(800)
Dividends paid		**(18,501)**	(30,314)
Net cash used in financing activities		**(48,397)**	(11,218)
Net increase in cash and cash equivalents held		**362,247**	121,706
Cash and cash equivalents at beginning of year		**801,524**	679,818
Cash and cash equivalents at end of financial year	13	**1,163,771**	801,524

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

The financial report covers Avoca District Co-operative Limited as an individual entity. Avoca District Co-operative Limited is a Co-operative limited by shares, incorporated and domiciled in Australia and is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The functional and presentation currency of Avoca District Co-operative Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 9 November 2026.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

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

The financial statements, except for the cash flow information, 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.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

2 Summary of material accounting policies

(a) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets.

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

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, but excluding freehold land, is depreciated over the asset's useful life to the Co-operative, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Furniture, Fixtures and Fittings	5-40%
Motor Vehicles	25-30%
Computer Equipment and Software	25-66.67%
Leasehold improvements	2.5-40%

The assets' 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. At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit and loss and other comprehensive income.

(c) Financial instruments

Financial assets

Classification

On initial recognition, the Co-operative 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 Co-operative 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 are solely payments of principal and interest on the principal amount outstanding.

The Co-operative'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 following assets:
- 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 Co-operative 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 Co-operative's historical experience and informed credit assessment and including forward looking information.

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

The Co-operative uses the presumption that a financial asset is in default when:
- the other party is unlikely to pay its credit obligations to the Co-operative in full, without recourse to the Co-operative to actions such as realising security (if any is held); or
- the financial assets 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 Co-operative 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 Co-operative 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 expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Co-operative 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.

Financial liabilities

The Co-operative measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Co-operative comprise trade payables, bank and other loans and finance lease liabilities.

(d) Impairment of non-financial assets

At the end of each reporting period the Co-operative assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(e) Intangibles

Franchise fees are measured at cost less amortisation and impairment losses. 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) 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.

(g) Leases

At inception of a contract, the Co-operative 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 Co-operative has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Co-operative 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 Co-operative recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Co-operative 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 Co-operative'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 Co-operative'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.

(h) Employee entitlements

Short-term employee benefits

Provision is made for the Co-operative's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, including wages, salaries, annual leave and long service leave.

The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables. Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been recorded as current liabilities in the statement of financial position and are measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long-term employee benefits

Provision is made for the Co-operative's obligation for long-term employee benefits. Long-term employee benefits are benefits not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service including annual leave and long service leave. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are treated as short-term employee benefits and are presented as current provisions.

(i) Provisions

Provisions are recognised when the Co-operative has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Revenue and other income

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 Co-operative 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

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

Revenue from contracts with customers

The Co-operative has in place franchise agreements with Bendigo and Adelaide Bank Limited. The Co-operative delivers banking and financial services of Bendigo and Adelaide Bank Limited to the community. The franchise agreement provides for a share of interest, fee and commission revenue earned under the agreement. Interest margin is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the Co-operative's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the Co-operative's right to receive payment is established.

The Co-operative acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 *Revenue from Contracts with Customers*, revenue recognition for the Co-operative's revenue stream is as follows:

Revenue	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission and fee income	When the Co-operative satisfies it's obligation to arrange for the services to be provided to the customer by the franchisor	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Co-operative - margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the Co-operative earns different types of products and services.

The revenue earned by the Co-operative is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:
- interest paid by customers on loans less interest paid to customers on deposits,
- plus any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited,
- minus any costs of funds i.e. interest applied to fund a loan.

The Co-operative is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited. If the margin is a loss, the Co-operative incurs a share of that loss.

Commission

Commission revenue is in the form of commission generated for products and services sold. The commission revenue is recognised at a point in time which reflects when the Co-operative has fulfilled its performance obligation.

The Co-operative receives upfront and trailing commission for products and services sold. The upfront commission is recognised when the performance obligation has been met. Ongoing trailing commissions are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the Co-operative and is a significant judgement area.

Fee income

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

Core banking products

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

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the Co-operative receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns its revenues.

The change may be to the method of calculation of margin, the amount of the margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the Co-operative receives on a particular product or service. The effect of the change on the revenue earned by the Co-operative is entirely dependent on the change.

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

Other income

The Co-operative's activities include generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Co-operative and can be reliably measured.

Revenue	Revenue recognition policy.
Dividend and distribution income	Dividend and distribution income is recognised when the right to receive the payment is established.
Discretionary financial contributions (Market Development Fund)	Market development fund income is recognised when the right to receive the payment is established. Market development fund income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Government stimulus	Government stimulus is comprised of cash flow boost amounts and are recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
Other income	All other revenues that did not contain contracts with customers are recognised as the goods and services are provided.

(k) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). 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 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.

(l) Finance costs

Borrowing costs are capitalised and amortised over the lesser of the term of the loan and 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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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.

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 - estimated useful life and impairment of assets

The Co-operative determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The required depreciation and amortisation charges will increase where useful lives are less than previously estimated.

The Co-operative assesses impairment of assets at the end of each reporting period by evaluating the conditions and events specific to the Co-operative that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate assumptions of the economic benefits expected to be received through the use of the assets.

Key estimates - employee benefit provisions

The Co-operative uses estimates to determine the current value of future obligations for employee benefits. The estimates are based on assumptions of future wage growth and consumer price index movements. The likelihood of employees reaching a period of service resulting in the employee benefits becoming unconditional and when an employee benefit obligation is likely to be settled are also estimated.

Key estimates - revenue recognition

The Co-operative exercises judgement in determining the amounts and timing of revenue to be recognised in the reporting period in accordance with the accounting policies.

Key estimates - lease classification

The Co-operative exercises judgement in determining;
- whether a contract is or contains a lease;
- whether the Co-operative has a right to direct use of the identified asset;
- whether the Co-operative obtains substantially all the economic benefit from the use of the asset;
- whether the Co-operative is reasonably certain to exercise extension options; and
- the discount rate, where the implicit rate cannot be readily determined.

Key judgments - taxes

The Co-operative is subject to income tax and significant judgement is required in determining the recognition of deferred tax assets. Deferred tax assets are only recognised which it is considered sufficient future profits will be generated to make use of the deferred tax asset. The estimates of future profits is based on the Co-operative's expected future cashflows.

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026 $	2025 $
4	**Revenue and other income**		
	Revenue from contracts with customers		
	Provision of services	**2,126,304**	2,048,944
		2,126,304	2,048,944
	Other income		
	Distribution income	**36,077**	29,853
	Landlord contributions	**399**	1,660
	Rent contributions	**1,403**	1,403
	Sundry income	**2,149**	-
	Profit on disposal of plant and equipment	**5,687**	-
	Profit on disposal of right-of-use assets	**187**	-
		45,902	32,916
		2,172,206	2,081,860
	Disaggregation of revenue from contracts with customers		
	(a) Timing of revenue recognition		
	At a point in time	**2,126,304**	2,048,944
		2,126,304	2,048,944
	(b) Type of contract		
	Margin income	**1,816,120**	1,722,547
	Commission income	**224,436**	236,800
	Fee income	**85,748**	89,597
		2,126,304	2,048,944
5	**Administration expenses**		
	Accounting fees	**23,640**	22,170
	Advertising	**9,915**	8,368
	Audit fees	**5,050**	4,850
	Cash delivery	**9,999**	7,323
	Consultancy fees	**4,912**	5,311
	Insurances	**22,388**	25,603
	Legal fees	**10,593**	12,834
	Printing and stationery	**10,713**	9,968
	Postage and freight	**7,001**	6,459
	Telephone	**4,303**	4,287
	Other administrative expenses	**27,167**	19,219
		135,681	126,392

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026 $	2025 $
6	**Depreciation and amortisation**		
	Depreciation		
	Buildings	**1,659**	1,671
	Furniture, fixtures & fittings	**14,211**	15,800
	Motor vehicles	**7,051**	9,364
	Leasehold improvements	**18,706**	25,531
	Right-of-use assets	**27,447**	30,110
		69,074	82,476
	Amortisation		
	Intangible assets	**28,040**	27,960
		28,040	27,960
		97,114	110,436
7	**Employment expenses**		
	Wages and salaries	**889,827**	781,450
	Directors fees	**20,094**	19,556
	Superannuation contributions	**105,248**	93,509
	Staff training	**11,250**	14,675
	Staff uniforms	**5,135**	5,505
	Fringe benefits tax	**63**	10,163
	Employee entitlements	**11,323**	29,836
	Other employment expenses	**23,167**	45,952
		1,066,107	1,000,646
8	**Finance costs**		
	Bank loan	**154**	3,173
	Interest - right-of-use assets	**11,584**	5,843
		11,738	9,016

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026	2025
		$	$
9	**Marketing, sponsorship and community contributions**		
	Sponsorship and community contributions		
	Avoca Chinese Garden	**-**	1,000
	Avoca Cricket Club	**200**	-
	Avoca Football & Netball Club	**1,000**	1,000
	Avoca Primary School	**227**	250
	Avoca Shire Turf Club	**500**	900
	Carisbrook Football Netball Club	**1,000**	1,000
	Carisbrook Primary School	**227**	227
	Colts Phelans Cricket Club	**-**	500
	Maryborough Basketball Association	**3,000**	3,000
	Maryborough & Castlemaine Football Netball League	**5,000**	4,000
	Maryborough Cricket Club	**500**	500
	Maryborough & District Horse & Pony Club	**300**	-
	Maryborough District MX Club	**-**	500
	Maryborough Education Centre	**455**	827
	Maryborough Football Netball Club	**1,000**	1,955
	Maryborough Giants Football Netball Club	**1,000**	1,000
	Maryborough Harness Racing Club	**3,000**	3,000
	Maryborough Highland Society	**400**	-
	Maryborough Soccer Club	**750**	1,000
	Natte Bealiba Football Club	**1,000**	909
	Pyrenees Best Wool and Lamb	**1,000**	1,000
	Pyrenees Grapegrowers & Winemakers	**2,500**	2,500
	St Arnaud Agricultural Society	**1,000**	-
	Raillery Hub Inc	**1,000**	-
	St Arnaud Community Kitchen	**-**	500
	St Arnaud & District Lawn Tennis Club	**500**	500
	St Arnaud Football Club	**2,000**	2,000
	St Arnaud Primary School	**227**	-
	St Arnaud Netball Club	**900**	400
	St Arnaud Secondary College	**227**	250
	St Augustine's Primary School	**227**	227
	St Arnaud Turf Club	**1,300**	1,237
	St Arnaud Hockey Club	**200**	-
	Talbot Football Netball Club	**1,000**	1,000
	Timor Primary School	**227**	227
	Other community contributions	**2,451**	2,482
		34,318	33,891
	Marketing	**27,822**	22,648
		62,140	56,539
	Community Enterprise Foundation	**315,789**	105,562
		377,929	162,101

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026	2025
		$	$
10	**Income tax expense**		
(a)	**The components of tax expense comprise:**		
	Current tax	**80,039**	132,607
	Deferred tax	**(3,989)**	(16,515)
		76,050	116,092
(b)	**The prima facie tax on profit before income tax expenses is reconciled to the income tax as follows:**		
	Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	**74,934**	115,217
	Add tax effect of non-deductible depreciation and amortisation	**353**	353
	Add tax effect of non-deductible expenses	**763**	522
		76,050	116,092

11	**Auditors' remuneration**		
	Remuneration of the auditors of the Co-operative, CountPro Audit Pty Ltd, for:		
	- Auditing the financial statements	**5,050**	4,850
		5,050	4,850
	Remuneration of related entity, CountPro Pty Ltd, for:		
	- Accounting and other non-assurance services	**23,640**	22,170
		23,640	22,170
		28,690	27,020

Accounting and other non-assurance services include financial statement preparation 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 Co-operative.

12 Key management personnel remuneration

The total remuneration paid to the key management personnel of Avoca District Co-operative Limited during the year was directors remuneration of $20,094 (2025: $19,556).

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026	2025
		$	$
13	**Cash and cash equivalents**		
	Cash at bank	**149,803**	74,997
	Short-term deposits	**1,013,968**	726,527
		1,163,771	801,524
14	**Trade and other receivables**		
	Trade receivables	**204,208**	181,093
	Accrued income	**11,087**	7,609
	Other receivables	**-**	35
		215,295	188,737
15	**Tax**		
(a)	**Current Tax Asset**		
	Income tax receivable	**23,391**	-
		23,391	-
(b)	**Deferred tax assets**		
	Deferred tax assets comprise the tax effect of:		
	Accrued expenses	**(1,959)**	(1,213)
	Provisions	**(25,651)**	(24,997)
	Prepaid expenses	**2,620**	2,642
	Right-of-use assets	**(1,620)**	(1,370)
	Land, buildings and intangible assets	**6,165**	8,481
		20,445	16,457
(c)	**Current tax liabilities**		
	Income tax payable	**-**	70,271
		-	70,271
16	**Other assets**		
	Borrowing costs	**-**	792
	Prepayments	**10,480**	10,569
		10,480	11,361

Notes to the Financial Statements
For the Year Ended 30 June 2026

		2026 $	2025 $
17	**Property, plant and equipment**		
	Land and buildings		
	At cost	**121,638**	121,638
	Accumulated depreciation	**(36,674)**	(35,015)
		84,964	86,623
	Capital works in progress		
	At cost	**354,615**	339,973
		354,615	339,973
	Office furniture and equipment		
	At cost	**191,163**	172,608
	Accumulated depreciation	**(153,347)**	(140,803)
		37,816	31,805
	Motor vehicles		
	At cost	**83,092**	74,588
	Accumulated depreciation	**(25,143)**	(46,495)
		57,949	28,093
	Leasehold Improvements		
	At cost	**363,049**	354,240
	Accumulated amortisation	**(125,962)**	(107,257)
		237,087	246,983
	Right-of-use to land and buildings		
	At cost	**201,889**	95,889
	Accumulated depreciation	**(58,775)**	(46,349)
		143,114	49,540
		915,545	783,017

Notes to the Financial Statements

For the Year Ended 30 June 2026

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

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

	Land and buildings	Capital works in progress	Office furniture and equipment	Motor vehicles	Leasehold improvements	Right-of-use - to land and buildings	Total
	$	$	$	$	$	$	$
2026							
Balance at the beginning of year	**86,623**	**339,973**	**31,805**	**28,093**	**246,983**	**49,540**	**783,017**
Additions	**-**	**14,642**	**20,234**	**40,604**	**8,810**	**121,691**	**205,981**
Disposals - written down value	**-**	**-**	**(12)**	**(3,697)**	**-**	**(2,376)**	**(6,085)**
Depreciation expense	**(1,659)**	**-**	**(14,211)**	**(7,051)**	**(18,706)**	**(27,447)**	**(69,074)**
Revaluation due to changes in lease payments	**-**	**-**	**-**	**-**	**-**	**1,706**	**1,706**
Balance at the end of the year	**84,964**	**354,615**	**37,816**	**57,949**	**237,087**	**143,114**	**915,545**
2025							
Balance at the beginning of year	88,294	29,545	44,473	37,457	268,154	77,832	545,755
Additions	-	310,428	3,132	-	4,360	-	317,920
Depreciation expense	(1,671)	-	(15,800)	(9,364)	(25,531)	(30,110)	(82,476)
Revaluation due to changes in lease payments	-	-	-	-	-	1,818	1,818
Balance at the end of the year	86,623	339,973	31,805	28,093	246,983	49,540	783,017

Notes to the Financial Statements
For the Year Ended 30 June 2026

	2026	2025
	$	$
18 Intangible assets		
Licenses and franchises		
At cost	**497,778**	497,778
Accumulated amortisation and impairment	**(428,180)**	(400,140)
	69,598	97,638

(a) Movements in carrying amounts

Movements in the carrying amounts for each class of intangible asset between the beginning and end of the financial year:

Balance at the beginning of the year	**97,638**	125,598
Amortisation	**(28,040)**	(27,960)
Balance at the end of the year	**69,598**	97,638

19 Trade and other payables		
Current		
Trade payables	**389,486**	52,954
Accrued expense	**31,767**	6,832
Franchise fees payable	**28,039**	28,039
GST payable	**6,672**	25,414
PAYG withholding	**9,878**	9,414
Dividend payable	**1,669**	1,154
Credit cards	**3,339**	909
	470,850	124,716
Non-current		
Franchise fees payable	**28,039**	56,078
	28,039	56,078
	498,889	180,794
20 Borrowings		
Non-current		
Bank loan	**-**	19,896
	-	19,896

Notes to the Financial Statements
For the Year Ended 30 June 2026

	2026 $	2025 $
21 Employee benefits		
Current		
Provision for employee entitlements	**98,544**	94,780
	98,544	94,780
Non-current		
Provisions for employee entitlements	**4,061**	5,207
	4,061	5,207
	102,605	99,987

22 Leases

Co-operative as a lessee
The Co-operative has operating leases over the branch premises in Avoca, Maryborough, St Arnaud and for the St Arnaud Railway. Lease payments are increased on an annual basis in line with the consumer price index or terms of the lease agreement. The Maryborough lease is classified as a short term lease, and therefore is exempt from being recognised under the standards. The lease for the St Arnaud Railway commenced on 1 July 2019 and a sub-lease was entered into with the St Arnaud Raillery Hub Inc. A new lease was entered into for the St Arnaud branch commencing 23 October 2025 for a term of 3 years and 2 months.

	2026 $	2025 $
(a) Right-of-use assets		
Balance at the beginning of the year	**49,540**	77,832
Additions	**121,691**	-
Disposals - written down value	**(2,376)**	-
Depreciation expense	**(27,447)**	(30,110)
Revaluation of right-of-use assets	**1,706**	1,818
	143,114	49,540
(b) Lease liabilities		
Current		
Lease of premises	**26,988**	20,190
	26,988	20,190
Non-current		
Lease of premises	**122,608**	34,833
	122,608	34,833
	149,596	55,023

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
	$	$	$	$	$
2026					
Lease liabilities	**40,241**	**103,890**	**59,792**	**203,923**	**149,596**
2025					
Lease liabilities	24,071	27,666	-	51,737	55,023

	2026	2025
	$	$

(c) Statement of profit or loss

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

Depreciation of right-of-use assets	**27,447**	30,110
Interest expense	**11,584**	5,843
Profit on disposal of right-of-use assets	**(187)**	-
	39,218	35,953

23 Issued capital

19,016 (2025: 19,516) ordinary shares issued at $20.00 each	**380,320**	390,320
	380,320	390,320

	2026	2025
	No.	No.
Fully paid ordinary shares		
Balance at the beginning of the year	**19,516**	19,556
Shares bought back during the year	**(500)**	(40)
Balance at the end of the year	**19,016**	19,516

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Co-operative. At shareholders meetings of the Co-operative, each member has one vote in person regardless of the number of shares held.

Notes to the Financial Statements
For the Year Ended 30 June 2026

	2026	2025
	$	$

24 Dividends

(a) Dividends and distributions paid

Final franked ordinary dividends of $1.00 per share (2025: $1.60 per share) were paid or provided for during the year	**19,016**	31,258
	19,016	31,258

Franked dividends declared or paid during the year were franked at the tax rate of 25% (2025: 25%).

(b) Franking account

The franking credits available for subsequent financial years	**652,818**	565,118

The above available balance is based on the dividend franking account at year end adjusted for franking credits that will arise from the payment of the current tax liabilities and franking debits that will arise from the payment of dividends recognised as a liability at the year end. The ability to use the franking credits is dependent upon the Co-operatives future ability to declare dividends.

25 Segment reporting

The economic entity operates community bank branches of the Bendigo and Adelaide Bank Limited in the Avoca and Maryborough districts together with a Lite Touch (cashless) office in St Arnaud.

26 Economic dependency

The normal trading activities of the Co-operative (which undertakes the branch activities of the Bendigo and Adelaide Bank in the Avoca and Maryborough districts) rely on the franchise contracts with the Bendigo and Adelaide Bank Group.

27 Financial risk management

	2026	2025
	$	$
Financial assets		
Held at amortised cost:		
Cash and cash equivalents	**1,163,771**	801,524
Trade receivables	**204,208**	181,093
	1,367,979	982,617
Financial liabilities		
Held at amortised cost:		
Trade payables	**389,486**	52,954
	389,486	52,954

Notes to the Financial Statements
For the Year Ended 30 June 2026

	2026 $	2025 $
28 Cash flow information		
Reconciliation of result for the year to cashflows from operating activities:		
Operating profit from ordinary activities	**223,688**	344,773
Non-cash flows in profit:		
- depreciation and amortisation	**97,114**	110,436
- net (profit)/loss on disposal of plant and equipment	**(5,687)**	-
- net (profit)/loss on disposal of right-of-use assets	**(187)**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(24,460)**	16,853
- (increase)/decrease in other assets	**(54,302)**	(57,165)
- (increase)/decrease in prepayments	**89**	(1,943)
- (increase)/decrease in finance costs	**792**	(792)
- increase/(decrease) in trade and other payables	**343,521**	28,239
- increase/(decrease) in income taxes payable	**(97,650)**	(16,933)
- increase/(decrease) in employee benefits	**2,618**	24,887
Cashflows from operations	**485,536**	448,355

29 Contingent assets and contingent liabilities

In the opinion of the Directors, the Co-operative did not have any contingent assets or liabilities at 30 June 2026 or 30 June 2025.

30 Events occurring after the reporting date

The financial report was authorised for issue on 9 November 2026 by the Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in future financial years.

Notes to the Financial Statements
For the Year Ended 30 June 2026

31 Related party transactions

Related parties

The Co-operative's main related parties are it's key management personnel who comprise any person(s) having authority and responsibility for planning, directing and controlling the activities of the Co-operative, directly or indirectly, including any director (whether executive or otherwise) of the Co-operative. In the opinion of the Board, the only key management personnel of the Co-operative are the Directors.

For details of disclosures relating to key management personnel, refer to Note 12: Key Management Personnel Remuneration.

Transactions with related parties

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

32 Statutory information

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

Avoca District Co-operative Limited
121 High Street
Avoca Victoria 3467

Avoca District Co-operative Limited

ABN 82 022 501 598

Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2026

The Co-operative has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Avoca District Co-operative Limited
ABN 82 022 501 598

Directors' Declaration

The directors of the Co-operative declare that:

1. the financial statements and notes for the year ended 30 June 2026 as set out on pages 6 to 32 are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards - Simplified Disclosures; and

    b. give a true and fair view of the financial position and performance of the Co-operative as at 30 June 2026 and of the performance for the year ended on that date;

2. in the directors' opinion, the consolidated entity disclosure statement is true and correct.

3. in the directors' opinion, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

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

Director ....
Donna Wardlaw

Director .....
Naomi Medlyn

Dated: 9 November 2026

Avoca District Co-operative Limited

Independent Audit Report to the members of Avoca District Co-operative Limited

Opinion

We have audited the financial report of Avoca District Co-operative Limited (the Co-operative), which comprises the statement of financial position as at 30 June 2026, 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 Co-operative is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Co-operative's financial position as at 30 June 2026 and of its financial performance for the year ended; and
ii. complying with Australian Accounting Standards 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 Co-operative in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 - Simplified Disclosures and the Corporations Act 2001 and is appropriate to meet the needs of the members; and

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 from misstatement, whether due to fraud or error.

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

Avoca District Co-operative Limited

Independent Audit Report to the members of Avoca District Co-operative Limited

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:

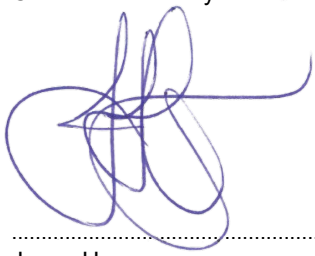
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

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CountPro Audit Pty Ltd



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Jason Hargreaves
Director

180 Eleanor Drive, Lucas, VIC, 3350

Dated: 13 November 2026

Community Bank · Avoca
121 High Street,
Avoca VIC 3467
Phone: 5465 3804
Email: avoca@bendigoadelaide.com.au
Web: bendigobank.com.au/avoca

Community Bank · Maryborough
52-54 Tuaggra Street,
Maryborough VIC 3465
Phone: 5461 4384
Email: maryborough@bendigoadelaide.com.au
Web: bendigobank.com.au/maryborough

St Arnaud Office
Napier Street,
St Arnaud VIC 3550
Phone: 5495 2587
Email: starnaud@bendigoadelaide.com.au

Franchisee: Avoca District Co-operative Limited
ABN: 82 022 501 598
PO Box 81
Avoca 3467
Phone: 0411 234 800
Email: secretary@avocacoop.com.au

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

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