

Annual Report 2026

Balnarring & District
Community Services Limited

Community Bank
Balnarring & District

ABN 84 127 842 059



Contents

Outgoing chairperson's report	2
Incoming chairperson's report	3
Branch manager's report	4
Message from Bendigo and Adelaide Bank	5
Community Bank National Council Annual Report	6
Dividend payments history	7
Community investments	8
Directors' report	9 - 14
Auditor's independence declaration	15
Financial statements	16 - 19
Notes to the financial statements	20 - 39
Directors' declaration	40
Independent audit report	41 - 42

Outgoing chair's report

For year ending 30 June 2026

It is with much pleasure and pride that I present 'my part' of the 18th Annual Report of Balnarring & District Community Services Limited.

As you may be aware, I stood down as Chair at the end of this financial year and Mark Laughton, a highly experienced and well-credentialed director, was unanimously appointed by the Board to take that role.

As a local community company, the Board has continued to work closely with our staff team over the year to continue the success of a Community Bank which provides excellent banking and financial services for our communities under a franchise agreement with Bendigo Bank.

Our mission to be a substantial, sustainable community-built business that contributes to community prosperity remains our guiding principle, so our 'profit-with-purpose' philosophy sees a significant proportion of our profits returned directly to the communities that generate them.

Our Community Impact Strategy, with five impact pillars of Community Connections and Resilience; Social Inclusion; Environment; Education and Housing and Homelessness, guides our annual contributions to the many community organisations and programs that see our communities from Crib Point and Bittern, down to Flinders and across to Merricks North grow and thrive.

Our branch team, Delwyn, Glenys, Amelia and Teah, led by Branch Manager Mark Butler, continues to rise to all challenges and their capability and commitment to excellent customer service has been a major contribution to our success, so thank you from us all.

Melinda Symes, our well-known and highly-regarded Community Engagement and Administration Support Officer and our hard-working Company Secretary Ken Brown are also vital members of our staff team and I thank them for their commitment to our company.

My thirteen years as Chair of this amazing enterprise have been undoubtedly busy, but the rewards have been enormous - a never-ending sense of community connection; the constant admiration and inspiration engendered by the range of groups and people working so hard to make a difference across their communities and the joy of working with others, be they staff members, directors or members of those many groups, who shared that dream of making already wonderful places even better and stronger because we believed that having chosen to live here, it was our responsibility to contribute, not just take.

So, a heart-felt thank you to all who have been part of the dream of creating our Community Bank – from the visionary people who did the hard work of establishing it, to those who are now part of the story.



Heather Goddard
Outgoing Chair

Incoming chair's report

For year ending 30 June 2026

Firstly, I would like to take the opportunity to thank Heather Goddard, our outgoing Chair, for her significant contribution to both the foundation and growth of our Community Bank over the last 14 years.

Recognising the impossible task of replicating her efforts, we have restructured our team to include Melinda Symes as our Executive Officer, supported by Ken Brown, who will continue as our Secretary. I am already indebted to them both for their assistance as I transition into the role of Chair.

In line with recommendations in the Annual Report Guide it is now our intention to rotate the position of Chair on a biennial basis. Once our new structure is bedded in, we are confident that the role will be one all directors can undertake, resulting in a more robust and capable Board.

I am pleased to report that the company finished the financial year in a sound financial position, with profit before tax of \$61,067.

Over the 2025/2026 financial year, we invested \$372,164 in our communities as grants and donations, \$150,000 into the Bendigo Foundation for future community projects, and a 13.5 cent per share dividend payment to our shareholders totalling \$113,400.

All this is possible because our many wonderful customers choose to bank with us, knowing that their banking helps support the clubs, projects and organisations at the heart of their communities.

A total of \$4.5 million has been invested across our communities from 2008 to 30 June 2026.

Our strong partnership with Bendigo Bank continues, and we thank their staff, particularly our Regional Manager, Robert Tracey, for his support, advice and assistance over the past year.

I also acknowledge the contribution of our Board of Directors to the success of our Community Bank. Like the hard-working and passionate volunteers with whom we partner through our many community groups, all Directors of Balnarring & District Community Services Limited volunteer their time, considerable expertise and community knowledge to ensure the success of our company. I thank them for their ongoing commitment. We know it makes a difference when they are out and about in our communities advocating for our bank.

As a shareholder of Balnarring & District Community Services Limited, you should continue to be proud of what your community company has achieved. Share price trading levels have infrequently risen above the original issued value of \$1 over the years however, this has changed recently, reflecting the value of our business to both shareholders and the community. It demonstrates that what we do, and how well we do it, is now understood and valued much more broadly. We have experienced share sales as high as \$1.15 during the last financial year.

Shareholders, customers and our community, can be assured that the Board of Balnarring & District Community Services Limited will continue to ensure long-term, quality performance and sustainability for our company, with a commitment to high standards across vital elements of governance, including legal and corporate regulatory compliance. Our revised structure around the Chair's position is designed to enable us to continue delivering these key goals.

As shareholders, you remain the foundation of our presence within our communities, and your ongoing support strengthens our cause. I encourage you to share our story with others whenever you can.

We encourage you to be part of our social enterprise by continuing to be, or becoming, a customer of Community Bank Balnarring & District. You will receive exceptional banking service, which in turn creates a positive impact in your community. You may also be part of what we do through your involvement with one of the many valuable groups and organisations with which we partner, and we thank you for your contribution. Together, we will continue to create change and meaningful social impact.

We ask you all to continue spreading our message and explaining the benefits of banking with us, which in turn helps us to support such a significant part of our local community.



Mark Laughton
Incoming Chair

Branch manager's report

For year ending 30 June 2026

To our valued Shareholders,

It is with great pride that I report on the performance of Community Bank Balnarring & District for the financial year ending 30 June 2026. This year was characterised by strategic focus and resilience, culminating in a significant \$9.1m increase in our business, bringing our overall footings to \$227.1m.

In a demanding credit market, our branch delivered an exceptional performance in lending, achieving \$4.67m in new loan growth. This represents an incredible 366% of our growth target and stands as a testament to our team's ability to meet the needs of our customers. While the highly competitive deposit landscape presented challenges, resulting in a \$4.65m contraction in deposits, our strong lending performance was the primary driver of our success.

Our total footings are composed of \$164.3m in deposits, \$59.4m in loans, and \$3.4m in other business. Of this, \$208.7m is managed directly by our branch team, with \$18.4m managed in partnership with our business banking colleagues.

Our connection with the community has also grown stronger. We were delighted to welcome 131 net new customers to our branch, expanding our customer base to 4,191. This contributed to a 6.2% increase in our total accounts, which now stand at 6,817. Furthermore, we continue to deepen our relationships with existing customers, as shown by the increase in products per customer from 2.62 to 2.69, a clear indicator of growing trust and loyalty.

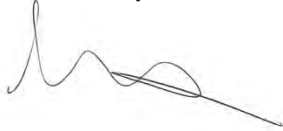
A key factor in this success is the stability and excellence of our branch team. This year saw no staff movements, allowing us to build on our cohesive and high-performing culture. The team's dedication to understanding customer goals and providing tailored solutions has earned an outstanding customer satisfaction rating of 9.75 out of 10. I want to personally recognise the contributions of our branch staff: Delwyn (Customer Relationship Manager), Glenys (Customer Relationship Officer), Amelia (Customer Relationship Officer), and Teah (Customer Service Officer).

Our success would also not be possible without the strategic guidance and voluntary efforts of the Balnarring & District Community Services Limited Board of Directors. Their expertise and commitment are fundamental to our sustainability and growth, and I extend my sincere thanks to them. I would also like to acknowledge and thank Melinda for the tireless work she does as our Community Engagement and Administration Support Officer and our Company Secretary Ken for all the hard work he completes behind the scenes.

Finally, I wish to express my deepest gratitude to you our customers and shareholders. Your decision to bank with us is the engine that powers our success. It allows us to grow our business, generate profits, and, most importantly, reinvest in our local community through sponsorships, grants, and dividends. Your advocacy sharing the benefits of local banking with your friends, family, and networks is our most powerful asset.

We look to the future with optimism and look forward to serving you in the year ahead.

Yours sincerely



Mark Butler
Branch Manager

Message from Bendigo and Adelaide Bank

For year ending 30 June 2026

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 FY25, more than \$50 million was invested back into local communities, adding to a total of \$416 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,

Warmest regards,



Justine Minne
Head of Community Banking.

Community Bank National Council Annual Report



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.

Dividend payment history

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level*	Date Paid
2024/2025	\$0.135	Franked	20/10/2025
2023/2024	\$0.14	Franked	09/09/2024
2022/2023	\$0.15	Franked	08/09/2023
2021/2022	\$0.07	Franked	29/08/2022
2020/2021	\$0.10	Franked	30/08/2021
2019/2020	\$0.10	Franked	31/08/2020
2018/2019	\$0.08	Franked	30/08/2019
2017/2018	\$0.08	Franked	31/08/2018
2016/2017	\$0.07	Unfranked	18/08/2017
2015/2016	\$0.06	Unfranked	30/08/2016
2014/2015	\$0.055	Unfranked	30/10/2015
2013/2014	\$0.05	Unfranked	13/10/2014
2012/2013	\$0.03	Unfranked	15/11/2013
2011/2012	\$0.02	Unfranked	15/6/2013

Community investments

Community Bank Balnarring & District community groups and organisations supported to 30 June 2026

1. Balnarring 1st Scouts
2. Balnarring Bowls & Social Club
3. Balnarring CFA
4. Balnarring Community Child Care
5. Balnarring Community Hub
6. Balnarring Cricket Club
7. Balnarring District Netball Club
8. Balnarring Foreshore Committee
9. Balnarring Junior Football Club
10. Balnarring Picnic Racing Club
11. Balnarring Pony Club
12. Balnarring Preschool
13. Balnarring Primary School
14. Balnarring Probus Club Inc
15. Balnarring Storm Basketball Club
16. Balnarring Tennis Club
17. Bittern CFA
18. Bittern Primary School
19. Box Rally
20. Bridge Magazine
21. Carriage Driving for the Disabled
22. Combined Probus Somers
23. Crib Point CFA
24. Crib Point Cricket Club
25. Crib Point Football Netball Club
26. Crib Point Junior Netball Club
27. Cycling Without Age
28. Dromana Secondary College
29. Embroiderers Guild, Victoria-Flinders Branch
30. Epilepsy Foundation
31. Flinders Art Show
32. Flinders Bowls Club
33. Flinders Community Association
34. Flinders Cricket Club
35. Flinders District Historical Society Inc
36. Flinders District Lions Club
37. Flinders Fringe Festival
38. Flinders Tennis Court
39. Flinders Zero Carbon Community
40. Friends of Bill Carroll Reserve
41. Friends of Coolart
42. Friends of French Island National Park Inc
43. Helping Hands Somerville
44. Lord Somers Camp
45. Merricks Beach Residents Association
46. Merricks Coolart Catchment Landcare Group
47. Merricks Yacht Club
48. Mornington Peninsula Equine Landcare Group
49. Mornington Peninsula Masters Swimming Club
50. MP Koala Conservation Group
51. Peninsula Summer Music
52. Point Leo Surf Life Saving Club
53. Red Hill Show
54. Riding for the Disabled Peninsula
55. Saltbush
56. Shoreham Foreshore Committee
57. Shoreham Tennis Club
58. Somers CFA
59. Somers Combined Probus
60. Somers Ladies Probus Club
61. Somers Preschool
62. Somers Primary School
63. Somers Tennis Club
64. Somers Yacht Club
65. Somerville Cricket Club
66. Somerville Football Netball Club
67. Southern Women's Action Network
68. St Johns Flinders & St Marks Balnarring
69. Story Dogs
70. Tyabb Koala Hospital
71. VIC Bushfire appeal
72. Vox Peninsula Choir
73. Western Port Secondary College
74. Western Port Singers Inc
75. Western Port Writes
76. Western Port Yacht Club
77. Womin Djeka Balnarring Ngargee

Directors Report

The directors present their financial statements of the company for the financial year ended 30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Heather Goddard
Title:	Non-executive director
Experience and expertise:	Diploma of Teaching Primary & Graduate Diploma in Educational Studies (Learning Difficulties in Language and Mathematics). Retired primary teacher. State Parliamentary Electorate Officer 1982-1986. Balnarring Primary School Early Years Literacy Co-Ordinator 1993-2009; BPS Sustainability Co-Ordinator 2009-2011. Founding member of the Balnarring Community Wetlands Committee; member of the Merricks Coolart Catchment Landcare Group. Heather brings extensive local knowledge and involvement, administrative skills and a passion for community to the Board.
Special responsibilities:	Chair, member of Governance & Human Resources Committee, Marketing & Business Development Committee
Name:	Christopher John Gurney
Title:	Non-executive director
Experience and expertise:	Bachelor of Economics Monash University. Graduate of Australian Institute of Company Directors. Past positions in Marketing and General Management with Unilever, Beecham, SCA and Bakers Delight. Key roles were Acting Managing Director Sancellia SCA UK, General Manager Deeko, Logistics and Purchasing Manager CHH/SCA, President COBS Bread North America (Bakers Delight), GM Marketing and Operations Bakers Delight Australia and NZ. Resigned as director of Bakers Delight Holdings in October 2022.
Special responsibilities:	Treasurer, member of Marketing & Business Development Committee and Finance & Budget Committee Convenor
Name:	Mark John Laughton
Title:	Non-executive director
Experience and expertise:	Qualified lawyer (LLB & GDLP). Reserve Legal Officer (Lieutenant) RAN. Areas of practice – family law, criminal law, wills and estates, commercial law and military law. Member Crib Point Football Netball Club.
Special responsibilities:	Chair from 1 July 2026, member of the Governance & Human Resources Committee and Property Co-ordinator
Name:	Ronald Graham Kempster
Title:	Non-executive director
Experience and expertise:	Completed tertiary studies in the UK and holds qualifications in Engineering and Industrial engineering. In Melbourne, added a Graduate Diploma of Management Systems from Swinburne. Since moving to Melbourne in 1971 Ron has held Business Consultant and IT management positions with a major Australian airline, a Quality Manager position with a national computer group and was Operations Support Manager with a long established financial services company. Involvement in several local community groups, some as treasurer.
Special responsibilities:	Member of Community Investment Committee and Finance & Budget Committee

Director's report (continued)

Name:	Stuart Whiteley
Title:	Non-executive director
Experience and expertise:	Stuart is a successful business executive with extensive commercial, strategic and program management expertise across a range of international companies. His work and experience have taken him around the world, and he has a proven track record in the delivery of large and complex high technology programs reflecting his energetic and innovative management style. At home he is a keen photographer, bush walker and enjoys camping with his family. Stuart lived in the area for several years in Somers and more recently in Bittern. Stuart and his wife Sarah have quickly grown to love the beauty and tranquillity of the area. He is an enthusiastic and committed member of the board and relishes the opportunity to bring his experience and knowledge to make a difference in the local community.
Special responsibilities:	Member of Governance & Human Resources Committee and Marketing & Business Development Committee Convenor
Name:	Kym Anthony Bridgford
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts (History/Politics/International Relations). Dip.Ed Grad Certificate in Counselling. Kym worked in Education and when retired was a large school secondary Principal. Kym has been on the Board as a Director for six years. Kym is active in caring for family and kids. Past member of Western Port tourism.
Special responsibilities:	Member of Governance & Human Resources Committee and Community Investment Committee, Property Coordinator.
Name:	Sarah Jane Moran
Title:	Non-executive director
Experience and expertise:	After working for a digital marketing company for the past 3 years, Sarah has gone back to a previous employer part time, where she works in administration and assists with marketing and social media. She has also started her own Marketing and Design small business to utilise her experience and to continue working with her passion. Sarah is also involved in the Mornington Carriage Driving for the Disabled, where she assists with administration, marketing and fundraising.
Special responsibilities:	Member of Marketing & Business Development Committee and Social Media Coordinator
Name:	Susan Anne Beanland
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts Monash University. Retired in 2019 after a long career at ANZ as Legal Operations Manager. Prior to ANZ held various roles at Rio Tinto (formerly CRA) spanning 18 years including information management and IT. A long history of volunteering including the homeless, refugees, child care and schools. Currently secretary of an owners corporation and an active volunteer at the Red Hill Op Shop.
Special responsibilities:	Community Investment Committee Convenor
Name:	Andrew Scott Thomas
Title:	Non-executive director
Experience and expertise:	Quality Assurance Manager - RAN (current), Chief Petty Officer - RAN (current). Previously held positions as Quality Assurance Manager - APS, Recognition Manager - contracted to RAN, Electronics Instructor & Instructor Manager, Treasurer Dromana Secondary College, Diploma Quality Auditing and Advanced Diploma Electronics Communications.
Special responsibilities:	Deputy Chair, Governance & Human Resources Committee Convenor and member of the Community Investment Committee

Director's report (continued)

Name: Michele Sabto
Title: Non-executive director
Experience and expertise: Bachelor of Law with Honours, Master of Arts (Social and Political Theory), Graduate Diploma in Publishing and Editing, Graduate Diploma in Sustainable Agriculture. Past positions as Editor, Managing Editor and Marketing Manager (Academic and Social Sciences, and Trade) at Oxford University Press Australia, Content manager (Village Roadshow), Publishing project management and writing (freelance), Lecturer in professional writing and editing at RMIT, Executive Producer online content at SBS (project position), Manager Monash University ePress (now Monash University Publishing), Co-editor Ecos Magazine (CSIRO), Committee of Management Mornington Peninsula Landcare Network (founding committee member), Consultant project manager sustainable land management and private land conservation projects for various clients including government catchment management bodies and Landcare, solicitor.

Special responsibilities: Member of Governance & Human Resources Committee

Name: Emma Louise Connell
Title: Non-executive director
Experience and expertise: PhD (Philosophy), University of Western Australia; BSc (Botany with Marine Botany) (Hons), University of North Wales; Graduate, Australian Institute of Company Directors. Emma is a Principal consultant for an engineering consultancy and delivers strategic planning and environment management advice for major projects, including governance, environmental management and advisory services. She has held leadership roles for over 10 years in teams and projects and was a non-executive Director for Western Port Water for 4 years. Emma currently volunteers for Clothes 4U, a charity supporting those in need on the Mornington Peninsula.

Special responsibilities: Member of Governance & Human Resources Committee

Name: Michael Hartley Treadwell
Title: Non-executive director
Experience and expertise: Michael rejoined the Board in early 2025 following his return from a stint working in Western Australia. He holds a Bachelor of Environmental Science and a Master of Urban Planning and currently works in the renewable energy/linear infrastructure sector. Michael was previously on the Board between 2019 and 2023 and has strong ties to the community through his involvement with Point Leo Surf Life Saving Club and the Disabled Surfers Association Mornington Peninsula.

Special responsibilities: Assistant Treasurer

Company secretary

The company secretary is Kenneth Brown. Kenneth was appointed to the position of company secretary on 26 October 2021.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$43,278 (30 June 2025: \$77,660).

Operations have continued to perform in line with expectations.

Director's report (continued)

Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 13.5 cents per share (2025: 14 cents)	113,400	117,600

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Governance & Human Resource	
	Eligible	Attended	Eligible	Attended
Heather Goddard	11	9	5	3
Mark John Laughton*	7	6	2	2
Christopher John Gurney	11	9	-	-
Ronald Graham Kempster	11	8	-	-
Stuart Whiteley	11	6	5	3
Michael Hartley Treadwell	11	11	-	-
Kym Anthony Bridgford	11	9	5	5
Sarah Jane Moran	11	11	-	-
Andrew Scott Thomas	11	10	5	5
Susan Anne Beanland	11	9	-	-
Michele Sabto	11	9	5	5
Emma Louise Connell	11	6	5	3

Director's report (continued)

	Marketing & Business Development		Community Investment	
	Eligible	Attended	Eligible	Attended
Heather Goddard	9	6	-	-
Mark John Laughton*	-	-	-	-
Christopher John Gurney	9	8	-	-
Ronald Graham Kempster	-	-	10	7
Stuart Whiteley	9	6	10	4
Michael Hartley Treadwell	-	-	-	-
Kym Anthony Bridgford	-	-	10	10
Sarah Jane Moran	9	8	-	-
Andrew Scott Thomas	-	-	10	7
Susan Anne Beanland	-	-	10	9
Michele Sabto	-	-	-	-
Emma Louise Connell	-	-	-	-

* Leave of absence from 1 January 2025 - 31 October 2025

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Heather Goddard	1,500	-	1,500
Christopher John Gurney	19,400	-	19,400
Mark John Laughton	-	-	-
Ronald Graham Kempster	-	-	-
Stuart Whiteley	-	-	-
Michael Hartley Treadwell	500	-	500
Kym Anthony Bridgford	1,000	-	1,000
Sarah Jane Moran	-	-	-
Andrew Scott Thomas	9,600	-	9,600
Susan Anne Beanland	-	-	-
Michele Sabto	-	-	-
Emma Louise Connell	-	-	-

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Director's report (continued)

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark John Laughton
Chair

15 September 2026

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Balnarring & District Community Services Limited

As lead auditor for the audit of Balnarring & District Community Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2026

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

Adrian Downing
Lead Auditor

Financial statements

Statement of Profit and Loss and Other Comprehensive Income for year ending 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	1,420,322	1,381,081
Other revenue		520	2,044
Finance revenue		21,410	22,913
Total revenue		<u>1,442,252</u>	<u>1,406,038</u>
Loss on disposal of assets		(1,694)	(2,074)
System costs		(29,431)	(29,731)
Advertising and marketing costs		(14,695)	(4,975)
Employee benefits expense	7	(545,743)	(559,418)
Occupancy and associated costs		(35,494)	(37,069)
Depreciation and amortisation expense	7	(81,439)	(83,515)
General administration expenses		(141,404)	(122,908)
Finance costs	7	(9,121)	(10,685)
Total expenses before community contributions and income tax expense		<u>(859,021)</u>	<u>(850,375)</u>
Profit before community contributions and income tax expense		583,231	555,663
Charitable donations, sponsorships and grants expense	7	<u>(522,164)</u>	<u>(451,303)</u>
Profit before income tax expense		61,067	104,360
Income tax expense	8	<u>(17,789)</u>	<u>(26,700)</u>
Profit after income tax expense for the year		43,278	77,660
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>43,278</u></u>	<u><u>77,660</u></u>
		Cents	Cents
Basic earnings per share	26	5.15	9.25
Diluted earnings per share	26	5.15	9.25

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

Financial Statements (continued)

Statement of Financial Position for year ending 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	129,221	173,816
Trade and other receivables	10	147,562	128,935
Investments	11	536,462	513,873
Current tax assets	8	9,196	13,860
Total current assets		<u>822,441</u>	<u>830,484</u>
Non-current assets			
Property, plant and equipment	12	109,451	139,197
Right-of-use assets	13	204,835	241,467
Intangible assets	14	27,230	41,170
Deferred tax assets	8	14,640	6,191
Total non-current assets		<u>356,156</u>	<u>428,025</u>
Total assets		<u>1,178,597</u>	<u>1,258,509</u>
Liabilities			
Current liabilities			
Trade and other payables	15	67,556	60,025
Lease liabilities	16	40,380	39,467
Employee benefits	17	57,343	50,747
Total current liabilities		<u>165,279</u>	<u>150,239</u>
Non-current liabilities			
Lease liabilities	16	182,938	215,683
Employee benefits	17	10,197	3,126
Provisions		24,699	23,855
Total non-current liabilities		<u>217,834</u>	<u>242,664</u>
Total liabilities		<u>383,113</u>	<u>392,903</u>
Net assets		<u>795,484</u>	<u>865,606</u>
Equity			
Issued capital	18	815,096	815,096
Retained earnings/(accumulated losses)		<u>(19,612)</u>	<u>50,510</u>
Total equity		<u>795,484</u>	<u>865,606</u>

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

Financial Statements (continued)

Statement of Changes in Equity for year ending 30 June 2026

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024		815,096	90,450	905,546
Profit after income tax expense		-	77,660	77,660
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	77,660	77,660
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(117,600)	(117,600)
Balance at 30 June 2025		<u>815,096</u>	<u>50,510</u>	<u>865,606</u>
 Balance at 1 July 2025		 815,096	 50,510	 865,606
Profit after income tax expense		-	43,278	43,278
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	43,278	43,278
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(113,400)	(113,400)
Balance at 30 June 2026		<u>815,096</u>	<u>(19,612)</u>	<u>795,484</u>

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

Financial Statements (continued)

Statement of Cash Flows for year ending 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,547,824	1,539,083
Payments to suppliers and employees (inclusive of GST)		(1,423,449)	(1,335,158)
Interest received		22,590	18,667
Interest and other finance costs paid		-	(529)
Income taxes paid		(12,715)	(69,717)
Net cash provided by operating activities	25	134,250	152,346
Cash flows from investing activities			
Investment in term deposits		(22,589)	(18,667)
Payments for property, plant and equipment		(2,747)	(60,878)
Proceeds from disposal of property, plant and equipment		-	28,635
Net cash used in investing activities		(25,336)	(50,910)
Cash flows from financing activities			
Repayment of borrowings		-	(25,336)
Interest and other finance costs paid		(8,277)	(9,340)
Dividends paid	20	(113,400)	(117,600)
Repayment of lease liabilities		(31,832)	(29,226)
Net cash used in financing activities		(153,509)	(181,502)
Net decrease in cash and cash equivalents		(44,595)	(80,066)
Cash and cash equivalents at the beginning of the financial year		173,816	253,882
Cash and cash equivalents at the end of the financial year	9	129,221	173,816

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

Notes to the Financial Statements

For year ending 30 June 2026

Note 1. Reporting entity

The financial statements cover Balnarring & District Community Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 2, Balnarring Village, 3000 Frankston-Flinders Road, Balnarring VIC 3926.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 Presentation of Financial Statements. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Current and non-current classification

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 3. Material accounting policy information (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Notes to the Financial Statements (continued)

For year ending 30 June 2026

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

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrance of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements (continued)

For year ending 30 June 2026

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

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

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with long service leave legislation.

Note 5. Economic dependency

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

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

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

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

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	1,265,509	1,225,456
Fee income	34,563	41,199
Commission income	120,250	114,426
	<u>1,420,322</u>	<u>1,381,081</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 6. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

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

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

Margin on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

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

Core banking products

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 6. Revenue from contracts with customers (continued)

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

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

Note 7. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	464,052	476,917
Non-cash benefits	11,192	10,253
Superannuation contributions	54,000	54,830
Other expenses	16,499	17,418
	<u>545,743</u>	<u>559,418</u>

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	2,077	2,082
Furniture and fittings	15,230	23,431
Motor vehicles	13,493	7,340
	<u>30,800</u>	<u>32,853</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	36,632	36,632
<i>Amortisation of intangible assets</i>		
Franchise fee	2,323	2,324
Franchise renewal process fee	11,617	11,616
Other	67	90
	<u>14,007</u>	<u>14,030</u>
	<u>81,439</u>	<u>83,515</u>

Finance costs

	2026 \$	2025 \$
Chattel mortgage interest	-	529
Lease interest expense	8,277	9,340
Unwinding of make good provision	844	816
	<u>9,121</u>	<u>10,685</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 7. Expenses (continued)

Finance costs are recognised as expenses when incurred using the effective interest rate.

Charitable donations, sponsorships and grants

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	372,164	401,303
Contribution to the Community Enterprise Foundation™	150,000	50,000
	<u>522,164</u>	<u>451,303</u>

The overarching philosophy of the Community Bank model is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

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

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

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	26,238	34,072
Movement in deferred tax	(8,449)	(7,372)
Aggregate income tax expense	<u>17,789</u>	<u>26,700</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	61,067	104,360
Tax at the statutory tax rate of 25%	15,267	26,090
Tax effect of:		
Non-deductible expenses	2,522	610
Income tax expense	<u>17,789</u>	<u>26,700</u>
	2026 \$	2025 \$
<i>Deferred tax attributable to:</i>		
employee provisions	16,885	13,468
make-good provision	6,175	5,964
lease liability	55,830	63,787
income accruals	(1,604)	(1,898)
property, plant and equipment	(11,437)	(14,763)
right-of-use assets	(51,209)	(60,367)
Deferred tax asset/(liability)	<u>14,640</u>	<u>6,191</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 8. Income tax (continued)

	2026 \$	2025 \$
Income tax refund due	9,196	13,860

Accounting policy for income tax

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

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	129,221	173,816

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	134,183	112,440
Other receivables and accruals	250	317
Accrued income	6,417	7,596
Prepayments	6,712	8,582
	13,379	16,495
	147,562	128,935

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	147,562	128,935
Less prepayments, included in trade and other receivables	(6,712)	(8,582)
	140,850	120,353

Accounting policy for trade and other receivables

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 11. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	536,462	513,873

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Leasehold improvements - at cost	31,562	31,562
Less: Accumulated depreciation	(25,174)	(23,097)
	6,388	8,465
Furniture and fixtures - at cost	319,325	324,460
Less: Accumulated depreciation	(255,327)	(246,286)
	63,998	78,174
Motor vehicles - at cost	56,371	56,371
Less: Accumulated depreciation	(17,306)	(3,813)
	39,065	52,558
	109,451	139,197

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

	Leasehold improvements \$	Furniture and fixtures \$	Motor vehicles \$	Total \$
Balance at 1 July 2024	10,547	111,841	19,493	141,881
Additions	-	4,505	56,373	60,878
Disposals	-	(14,741)	(15,968)	(30,709)
Depreciation	(2,082)	(23,431)	(7,340)	(32,853)
Balance at 30 June 2025	8,465	78,174	52,558	139,197
Additions	-	2,747	-	2,747
Disposals	-	(1,693)	-	(1,693)
Depreciation	(2,077)	(15,230)	(13,493)	(30,800)
Balance at 30 June 2026	6,388	63,998	39,065	109,451

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Furniture and fixtures	2 to 20 years
Leasehold Improvements	5 to 10 years
Motor vehicles	5 years

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 12. Property, plant and equipment (continued)

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

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

Note 13. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	366,516	366,516
Less: Accumulated depreciation	(161,681)	(125,049)
	<u>204,835</u>	<u>241,467</u>

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

	Land and buildings \$
Balance at 1 July 2024	278,099
Depreciation expense	<u>(36,632)</u>
Balance at 30 June 2025	241,467
Depreciation expense	<u>(36,632)</u>
Balance at 30 June 2026	<u>204,835</u>

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 \$	2025 \$
Franchise fee	44,171	44,171
Less: Accumulated amortisation	<u>(39,633)</u>	<u>(37,310)</u>
	<u>4,538</u>	<u>6,861</u>
Franchise renewal fee	170,859	170,859
Less: Accumulated amortisation	<u>(148,167)</u>	<u>(136,550)</u>
	<u>22,692</u>	<u>34,309</u>
	<u>27,230</u>	<u>41,170</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 14. Intangible assets (continued)

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

	Franchise renewal fee \$	Franchise fee \$	Total \$
Balance at 1 July 2024	9,185	45,925	55,110
Amortisation expense	(2,324)	(11,616)	(13,940)
Balance at 30 June 2025	6,861	34,309	41,170
Amortisation expense	(2,323)	(11,617)	(13,940)
Balance at 30 June 2026	<u>4,538</u>	<u>22,692</u>	<u>27,230</u>

Accounting policy for intangible assets

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

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

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present. They are tested for impairment at each reporting period and whenever impairment indicators are present. The useful lives and amortisation methods are reviewed at each reporting date and adjusted prospectively, where appropriate.

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

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

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

Note 15. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	8,002	6,892
Other payables and accruals	<u>59,554</u>	<u>53,133</u>
	<u>67,556</u>	<u>60,025</u>
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	67,556	60,025
less statutory payables, other payables and accruals (net GST payable to the ATO)	<u>(33,797)</u>	<u>(25,896)</u>
	<u>33,759</u>	<u>34,129</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 16. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	40,380	39,467
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	182,938	215,683
	<u>223,318</u>	<u>255,150</u>
<i>Reconciliation of lease liabilities</i>		
	2026 \$	2025 \$
Opening balance	255,150	284,376
Lease interest expense	8,277	9,340
Lease payments - total cash outflow	(40,109)	(38,566)
	<u>223,318</u>	<u>255,150</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Balnarring Branch	3.54%	5 years	1 x 5 years	Yes	January 2032

Note 17. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	23,764	20,449
Long service leave	33,579	30,298
	<u>57,343</u>	<u>50,747</u>
<i>Non-current liabilities</i>		
Long service leave	10,197	3,126
	<u>67,540</u>	<u>53,873</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 17. Employee benefits (continued)

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	840,000	840,000	840,000	840,000
Less: Equity raising costs	-	-	(24,904)	(24,904)
	<u>840,000</u>	<u>840,000</u>	<u>815,096</u>	<u>815,096</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 18. Issued capital (continued)

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 200. As at the date of this report, the company had 225 shareholders (2025: 226 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

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

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

Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 20. Dividends

Dividends provided for and paid during the period

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

	2026 \$	2025 \$
Fully franked dividend of 13.5 cents per share (2025: 14 cents)	113,400	117,600

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	140,951	110,434
Franking credits (debits) arising from income taxes paid (refunded)	12,715	69,717
Franking debits from the payment of franked dividends	(37,800)	(39,200)
	115,866	140,951

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	115,866	140,951
Franking credits (debits) that will arise from payment (refund) of income tax	(338)	(13,860)
Franking credits available for future reporting periods	115,528	127,091

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Accounting policy for dividends

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

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has no borrowings.

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 21. Financial risk management (continued)

	2026 \$	2025 \$
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	129,221	173,816
Trade and other receivables (note 10)	140,850	120,353
Investments (note 11)	536,462	513,873
	<u>806,533</u>	<u>808,042</u>
Financial liabilities at amortised cost		
Trade and other payables (note 15)	33,759	34,129
Lease liabilities (note 16)	223,318	255,150
	<u>257,077</u>	<u>289,279</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

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

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$129,221 and term deposits of \$536,462 at 30 June 2026 (2025: \$173,816 and \$513,873).

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 21. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026				
Trade and other payables	33,759	-	-	33,759
Lease liabilities	41,029	130,212	74,921	246,162
Total non-derivatives	74,788	130,212	74,921	279,921
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	34,129	-	-	34,129
Lease liabilities	40,109	171,241	74,921	286,271
Total non-derivatives	74,238	171,241	74,921	320,400

Note 22. Key management personnel disclosures

The following persons were directors of Balnarring & District Community Services Limited during the financial year or up to the date of signing of these Financial Statements.

Heather Goddard
Christopher John Gurney
Mark John Laughton
Ronald Graham Kempster
Stuart Whiteley
Kym Anthony Bridgford

Sarah Jane Moran
Susan Anne Beanland
Andrew Scott Thomas
Michele Sabto
Michael Hartley Treadwell
Emma Louise Connell

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 23. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
During the year the company made a sponsorship to Crib Point Football Netball Club of which a director is the Vice President. The total sponsorship and community support provided was:	785	41,426
During the year the company made a sponsorship to Merricks Coolart Catchment Landcare of which a director is associated with. The total sponsorship and community support provided was:	2,400	14,509
During the year the company engaged director Sarah Moran to provide marketing and communications services under normal commercial terms approved by the Board. The total sponsorship and community support provided was:	2,400	-
During the year the company provided grants, sponsorships and other community support, to Point Leo Surf Life Saving Club, an organisation with which a director is associated. The total sponsorship and community support provided was:	16,164	-

Transactions with associated entities

The company entered into a number of transactions with community organisations that have an association with directors. These transactions do not meet the definition of related party transactions under AASB 124 Related Party Disclosures, as the directors or their related parties do not hold positions of influence over the recipient organisations.

However, given the qualitative and quantitative materiality of these transactions, the company has elected to disclose them in aggregate.

	2026 \$	2025 \$
During the year, the company entered into sponsorship arrangements with various community groups where directors hold an association. The total sponsorship and community support provided was:	76,222	56,678

Note 24. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,620	7,930
<i>Other services</i>		
General advisory services	3,515	3,340
Share registry services	6,533	6,227
	10,048	9,567
	<u>16,668</u>	<u>17,497</u>

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	43,278	77,660
Adjustments for:		
Depreciation and amortisation	81,372	83,425
Net loss on disposal of non-current assets	1,693	2,074
Lease liabilities interest	8,277	9,340
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(18,627)	12,169
Decrease/(increase) in income tax refund due	4,664	(13,860)
Increase in deferred tax assets	(8,449)	(6,191)
Increase/(decrease) in trade and other payables	(1,328)	10,201
Increase/(decrease) in provision for income tax	8,859	(21,785)
Decrease in deferred tax liabilities	-	(1,181)
Increase/(decrease) in employee benefits	13,667	(322)
Increase in other provisions	844	816
Net cash provided by operating activities	<u>134,250</u>	<u>152,346</u>

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	<u>43,278</u>	<u>77,660</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>840,000</u>	<u>840,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>840,000</u>	<u>840,000</u>
	Cents	Cents
Basic earnings per share	5.15	9.25
Diluted earnings per share	5.15	9.25

Accounting policy for earnings per share

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

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Notes to the Financial Statements (continued)

For year ending 30 June 2026

Note 29. Events after the reporting period (continued)

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Director's declaration

For year ending 30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark John Laughton
Chair

15 September 2026

Independent audit report



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

Independent auditor's report to the members of Balnarring & District Community Services Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Balnarring & District Community Services Limited (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 2026 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Balnarring & District Community Services Limited, which comprises:

- the Statement of financial position as at 30 June 2026
- the Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Statement of changes in equity for the year ended 30 June 2026
- the Statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policy information, and
- the Directors' declaration.

Basis for opinion

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.

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

Independent audit report (continued)



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

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

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the 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 is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our auditor's report.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2026

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

Adrian Downing
Lead Auditor

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

Community Bank - Balnarring & District
Shop 2/3000 Frankston Flinders Road,
Balnarring VIC 3926
Phone: 5983 5543 Fax: 5983 2828
Email: balnarringmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/balnarring

Franchisee: Balnarring & District Community Services Limited
ABN: 84 127 842 059
Shop 2/3000 Frankston Flinders Road,
Balnarring VIC 3926
Phone: 5983 5543 Fax: 5983 2828
Email: secretarybdcs@outlook.com

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

 /communitybankbalnarringanddistrict

 /communitybankbalnarring

This Annual Report has been printed on 100% Recycled Paper

