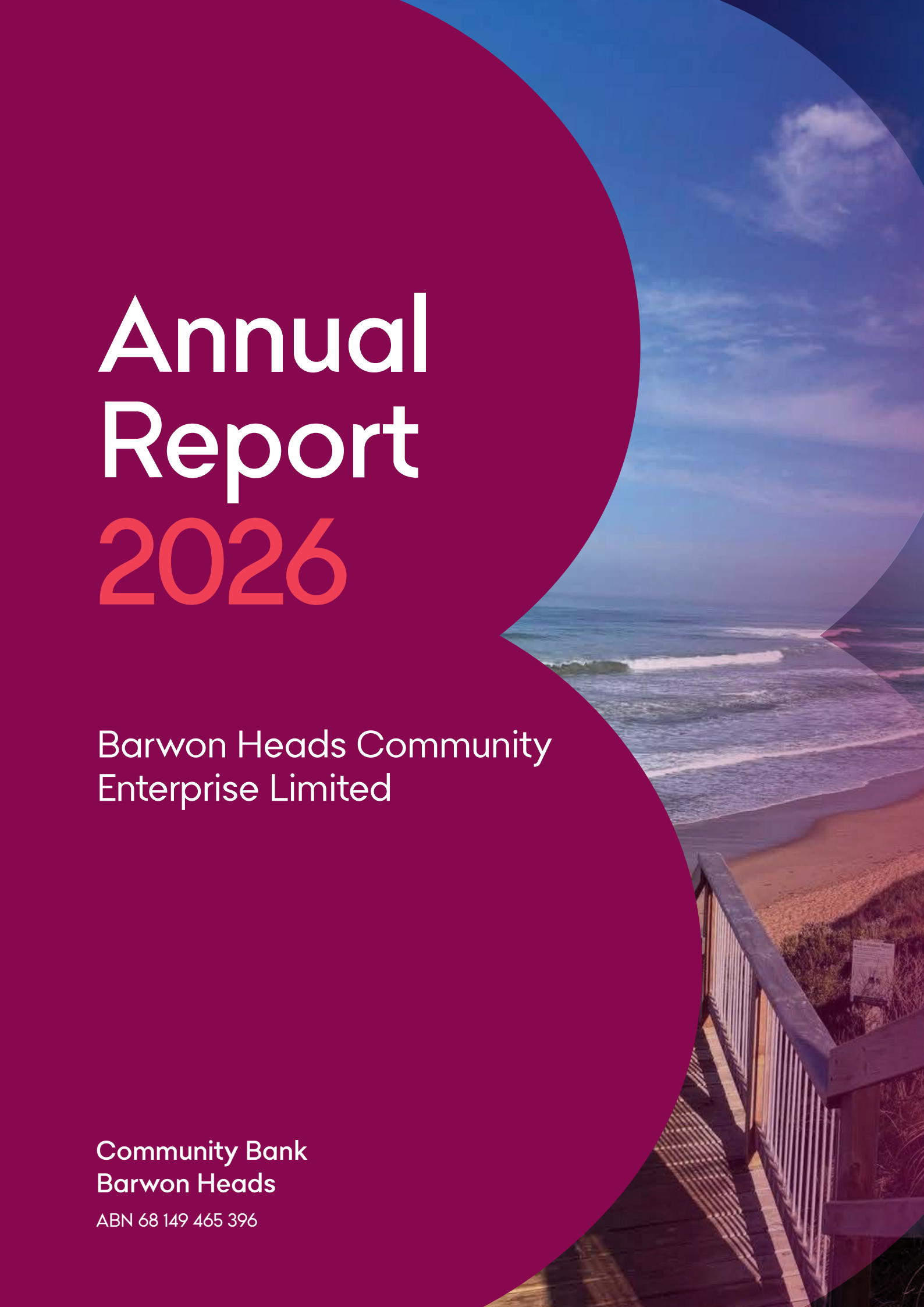




Annual Report 2026

Barwon Heads Community
Enterprise Limited

Community Bank
Barwon Heads

ABN 68 149 465 396

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Chair's report

For year ending 30 June 2026

It is a privilege to present this year's Chair's Report for Community Bank Barwon Heads.

Having recently stepped into the role of Acting Chair, I've spent some time reflecting on what makes our Community Bank so special. For me, it's our ability to genuinely help the groups that make our community what it is. We can help fund new equipment, improve facilities, support programs and bring ideas to life – and then see firsthand the difference that support makes.

This year, Community Bank Barwon Heads contributed more than \$150,000 back into our local communities through grants and sponsorships, taking our total community contribution to more than \$1.4 million since our Branch opened in 2012.

They are figures we should all be incredibly proud of, but our impact goes well beyond the dollar amount. It can be seen in the sporting clubs, schools, arts organisations, emergency services and volunteer groups we support, and in initiatives such as our Community Cups that bring people together while supporting worthwhile causes.

That is what the Community Bank model is all about – supporting the people and organisations that make our community what it is.

During FY26, we continued to see strong demand for community funding, particularly as we extend our reach into the Warralily and Armstrong Creek communities. With local clubs and community groups facing increasing costs and pressure on their resources, it is more important than ever that we are thoughtful about where our community investment goes and that the partnerships we form create genuine, lasting value.

Our newly introduced twice-yearly Community Grants and Sponsorship Program has provided a clearer and more consistent process for organisations seeking support, while giving our Board greater visibility across funding requests and how our investment is distributed across the community.

Our focus is also evolving beyond simply providing funding. We want to build genuine partnerships, understand what our contribution has helped organisations achieve and work together to tell those stories. Taking the time this year to reflect on our impact has been incredibly rewarding, including speaking with former Board members and our founding Chair, Heather McCarthy, and looking back at how far Community Bank Barwon Heads has come since 2012.

Ultimately, every dollar we return to the community begins with someone choosing to bank with Community Bank Barwon Heads. To our customers, thank you. Every person, family and business that chooses Community Bank Barwon Heads helps make our community investment possible. Your banking genuinely contributes to the place in which we live, work and raise our families.

For that reason, sustainable growth remains important. We continue to strengthen our connections across Barwon Heads, Warralily and Armstrong Creek through our partnerships with sporting clubs, community organisations and local businesses.

As we grow, our purpose remains the same: to provide great service and competitive banking products while staying genuinely connected to the communities we support. An important part of that is ensuring our Branch performs strongly and can turn our community connections into genuine banking relationships. Sponsorship is only one part of the equation – for the Community Bank model to work, those relationships need to come back through the doors of the Community Bank Barwon Heads Branch.

This year has also been an important period of reflection and development for our Board. Through two dedicated strategy days, we have spent considerable time refining our focus and looking at how we can improve the way we operate, support the Community Bank Barwon Heads Branch and direct our time and resources to where they can have the greatest impact.

Chair's report (continued)

We have continued to strengthen our relationship with Business Banking, identified as an important opportunity for sustainable growth and to better support businesses across our region.

Later this year, we will also present the inaugural Barwon Heads Traders Night, bringing together our wonderful independent traders and the community groups that contribute so much to our town. Many hours of planning have gone into the event, and we hope it will be a wonderful celebration of everything that makes Barwon Heads special.

Our volunteer Directors bring an enormous amount of experience, energy and commitment to Community Bank Barwon Heads. I sincerely thank each of them for the huge amount of time they give, often quietly and behind the scenes, as well as their families who support them to do so.

I would also like to acknowledge Damien O'Malley and thank him for his leadership and significant contribution as Chair over many years. Damien brings a wealth of experience, an abundance of ideas and an incredible ability to connect people within our community. I am grateful to step into the Acting Chair role with his experience behind us and to continue working alongside such a committed group of Directors.

To Kellie and our Branch team, thank you for the work you do every day for our customers and for representing Community Bank Barwon Heads in our community. We are very fortunate to have Kellie as our Branch Manager. She brings wonderful energy to the Branch and, as a local herself, cares passionately about both the Bank and the community it serves.

To our shareholders, thank you for your continued belief in and support of Community Bank Barwon Heads. And to the many sporting clubs, schools, community groups, volunteers, businesses and organisations we work alongside – thank you. Our partnerships are what bring the Community Bank model to life.

As we look to the year ahead, I would like us to continue doing what we do well, while becoming even better at demonstrating the difference Community Bank Barwon Heads makes.

There is a wonderful story to tell. Sometimes the scale of our impact is easiest to understand when we bring it right back to one family. When I recently thought about my own household in Barwon Heads, I realised that Community Bank Barwon Heads reaches our family in more than 10 different ways – through the sporting clubs, school and community organisations that form part of our everyday lives.

When you multiply that across hundreds of families throughout Barwon Heads and our surrounding communities, you begin to understand the extraordinary reach that a small community bank can have.

My hope is that more people across our community come to understand that connection – that choosing where you bank can have an impact far beyond banking itself. I am incredibly proud to be part of Community Bank Barwon Heads and honoured to serve as Acting Chair. Thank you for continuing to support a bank that supports our community.

Katie Hedley
Acting Chair
Community Bank Barwon Heads

Manager's report

For year ending 30 June 2026

It is with great pride and a deep sense of privilege that I present the Community Bank Barwon Heads Branch Manager's Report for the financial year ending 30 June 2026. This past year has been a testament to the resilience, dedication, and community spirit that defines our branch.

Performance & Achievements

From a financial perspective, FY26 has been an exceptional and transformative year for our branch, marked by outstanding milestones across multiple portfolios. I am thrilled to report a remarkable lending growth of over \$7.55 million—a figure that reflects the deep trust our local community places in us to help them achieve their financial goals.

Our team's unwavering dedication to holistic customer outcomes shone brightly in our wealth management sector. We experienced an incredible 200% growth in Managed Funds and a 133% increase in Wealth Concierge referrals, demonstrating our strong commitment to securing our customers' financial futures.

Customer Experience

At the heart of everything we do is our community, and our commitment to delivering a truly exceptional, personalised customer experience remains what sets us apart. I am incredibly proud to report an outstanding customer satisfaction score of 9.77 out of 10. These exceptional service metrics are not just numbers; they are a direct reflection of the tireless hard work, efficiency, and genuine care our team brings to the branch every single day.

Our Team

A branch is only as strong as its people, and this year we were absolutely delighted to welcome a new staff member, Rup, to our Barwon Heads family. Rup has brought fresh energy and invaluable expertise to the floor, already making a significant and positive impact on both our branch operations and our customer relationships.

Community Engagement

Community engagement is, and always will be, the cornerstone of our philosophy at Community Bank Barwon Heads. This year, the team stepped up to be more visible and active than ever before. We proudly connected with local groups, supported grassroots initiatives, and actively participated in over 80 community events throughout the year. These interactions are a powerful, daily reminder of exactly why we are here—to champion and ensure the ongoing success of the Barwon Heads region.

Challenges & Looking Ahead

While we celebrate our many successes, the dynamic economic landscape of the past year also presented us with valuable learning opportunities. We experienced a softening in deposit growth, which has proactively become a key strategic priority for the team moving forward.

As we look ahead to FY27, our focus will be on leveraging our incredible lending momentum and applying that same rigorous, strategic dedication toward rejuvenating our deposit portfolios. We are committed to continuously investing in our people and our technology to further elevate our award-winning customer service. By deepening our community partnerships, we ensure that our profits continue to funnel directly back into Barwon Heads, driving a positive and lasting impact for years to come.

Manager's report (continued)

In Closing

I would like to extend my deepest and most sincere thanks to our incredibly dedicated staff, our deeply loyal customers, our visionary Board of Directors, and the wider Barwon Heads community for your unwavering support and advocacy throughout the year. Together, we continue to strengthen the vital role of our Community Bank.

Kellie Thomson
Branch Manager
Community Bank Barwon Heads

Bendigo and Adelaide Bank report

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council



COMMUNITY BANK
NATIONAL COUNCIL

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.

Directors' report

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:	Damien Patrick O'Malley
Title:	Non-executive director
Experience and expertise:	Founder and Senior Consultant of strategic HR consulting business and co-founder of strategic off-sites consulting business. Clients include commercial / non-for-profit organisations in health, hospitality, infrastructure, financial services, legal services & retail. Previous experience as senior HR practitioner in leading national business in financial services, directories, gambling & entertainment, aviation and retail. Masters of Human Resources Development (UTS), Bachelor of Arts (Adelaide University), accredited as Executive Coach and number of leadership, team and cultural diagnostics.
Special responsibilities:	Chair, Member Business Development & Grants Committee, Member Strategy, Governance & Stakeholder Committee
Name:	Pamela Jean Morrison
Title:	Non-executive director
Experience and expertise:	Pamela is a recently retired Emergency Nurse. She has also worked in remote area nursing -Weipa -and in a Withdrawal Clinic in Geelong. Pamela has a Nursing Degree with Honours which she completed at the age of 45. She belongs to the local Community Garden group with the ancillary group of Beekeepers. She is passionate about supporting community groups and individuals within the community of Barwon Heads and surrounds. Recently Pamela has undertaken an admin. role with Geelong Hospice Foundation which involved scribing for their Voluntary Board and assisting with the administration of Grants to relevant groups and individuals within the Palliative Care community.
Special responsibilities:	Member Business Development & Grants Committee
Name:	Dylan Mulgrew
Title:	Non-executive director
Experience and expertise:	Dylan is a chartered accountant with membership to Chartered Accountants ANZ and has a Bachelor of Commerce from Deakin University. He is currently a Director of Finance with the National Disability Insurance Agency with extensive experience in Financial Governance & Performance. He also volunteers as a committee member of Rosewall Neighbourhood House.
Special responsibilities:	Treasurer, Member Strategy, Governance & Stakeholder Committee
Name:	Tim Crowley
Title:	Non-executive director
Experience and expertise:	Tim is a Team leader at Worksafe in the Claims and Recovery Support Division. Previous employed for 3 years as a Team Manager at TAC in the Relationship Management Branch. He currently volunteers for the following: Geelong Youth Engagement – Committee for Events Leaders for Geelong Program 2023 – Committee for Geelong Leaders for Geelong Mentor for 2024 Program – Committee for Geelong
Special responsibilities:	Member Operations & Culture Committee
Name:	Marnie Laurie
Title:	Non-executive director
Experience and expertise:	Bachelor of Science in Optometry, retired, Barwon Heads resident
Special responsibilities:	Member Business Development & Grants Committee

Directors' report (continued)

Name:	Katie Hedley
Title:	Non-executive director
Experience and expertise:	Katie is a Barwon Heads Resident.
Special responsibilities:	Katie has a background in marketing, events and community engagement, and holds a Bachelor of Business (Marketing). She is actively involved in the Barwon Heads community through local groups, sporting clubs, school activities and community events. Katie helped establish and formalise the Parents and Friends Association at Barwon Heads Primary School, where she served as President.
Name:	Rob Gemes
Title:	Non-executive director
Experience and expertise:	Owner/Operator of Lon Retreat and Spa, award winning, boutique accommodation and spa business located in Point Lonsdale. Previously employed as a High-End Residential Construction Project Manager for Lowther Builders in Melbourne. Prior to that, time spent working as Site Supervisor on various residential projects in Melbourne. Began Career in Chartered Accounting and worked for 2 inner city Accounting Firms before moving into Construction. Hold a Bachelor of Business Degree (Honours) and a Certificate IV in Construction. Currently involved as Board Member of BEN and involved in the Barwon Heads community through two men's groups, member of the BH Tennis Club and a volunteer for local sporting groups as required.
Special responsibilities:	Member Business Development & Grants Committee
Name:	Charles Hall
Title:	Non-executive director (appointed 10 January 2026)
Experience and expertise:	Charles has extensive executive leadership experience across the construction, engineering and energy sectors. He held executive leadership roles with McConnell Dowell Constructors Limited and has previously held senior leadership roles including General Manager – Operations at Energy Power Systems Australia Pty Ltd and Director of Bicton Management Services Pty Ltd. Charles holds a Bachelor of Building from the University of Melbourne.
Special responsibilities:	Member Operations & Culture Committee
Name:	Jennifer Crameri
Title:	Non-executive director (appointed 30 March 2026)
Experience and expertise:	Holds a Graduate Diploma in Public Relations and a Bachelor of Education. Worked in the not-for-profit sector for more than 20 years and is a retired Project Manager with extensive experience in community development initiatives. Worked alongside local organisations on community development projects across developing countries including Uganda, the Democratic Republic of Congo, Myanmar and Thailand, gaining significant experience across Asia and Africa.
Special responsibilities:	Nil
Name:	Mark Nolan
Title:	Non-executive director (appointed 30 March 2026)
Experience and expertise:	Worked in various roles in the banking sector for 44 years, 40 of those, before my retirement in 2025, was with Bendigo and Adelaide Bank, the last 20 years of my time at Bendigo and Adelaide Bank were roles in and around Community Banking. The last 7 years of my career involved working with Community Bank Boards around their performance, strategy and governance. long-term football umpire and life member with the Geelong Football Umpires League and is also Treasurer and active member of the Geelong District Veteran Golfers Association.
Special responsibilities:	Member Strategy, Governance & Stakeholder Committee

Directors' report (continued)

Name:	Nicole Glazebrook
Title:	Non-executive director (appointed 30 March 2026)
Experience and expertise:	A Fellow of the Institute of Chartered Accountants and an active member of the Australian Institute of Company Directors, Nicole serves on Boards and Advisory Panels and provides interim executive services for companies that align with her passion for the Health, Social Services and Education sectors. Nicole currently serves as the Executive Director Finance & Risk at the Australian Health & Practitioners Regulation Agency. Her career includes serving as Chief Financial Officer for The Australian Ballet, National Disability Insurance Agency and as a senior executive at ANZ Banking Group, where she led large global teams across the Institutional, Australia, Europe and America divisions during times of significant uncertainty. A Financial Markets and Treasury specialist, Nicole is known for her ability to develop people and strengthen the leadership diversity of the businesses she supports, guiding strategy to enable sustainable operations, with a "make it better" approach, championing inclusion inclusive practices and financial literacy.
Special responsibilities:	Nil
Name:	Matthew Spresser
Title:	Non-executive director (appointed 30 March 2026, resigned 3 July 2026)
Experience and expertise:	Accomplished business development and senior management executive with over 22 years of experience in construction and real estate. Expertise in strategic business planning, new business development, public-private partnerships, risk management, multi-state team management, cost control, contract administration, account management, and personnel development.
Special responsibilities:	Nil
Name:	David Ian Patrick
Title:	Non-executive director (resigned 8 December 2025)
Experience and expertise:	After retiring from senior management positions in a large multinational company, Patrick undertook consultancy positions with various public companies focusing on the Logistics and Procurement functions. Since being welcomed into the Barwon Heads community a number of years ago he wanted to contribute back into that community, hence his decision to join the board.
Special responsibilities:	Nil
Name:	Cooper Brown
Title:	Non-executive director (resigned 27 April 2026)
Experience and expertise:	Australian legal practitioner, Bachelor of Law and International Relations.
Special responsibilities:	Company Secretary

Company secretary

There have been two company secretaries holding the position during the financial year:

- Dylan Mulgrew was appointed company secretary 23 February 2026
- Cooper Brown was appointed company secretary 26 May 2025 and resigned 23 February 2026.

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 \$31,147 (30 June 2025: \$74,726).

Operations have continued to perform in line with expectations.

Directors' 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 6 cents per share (2025: 7 cents)	49,047	57,222

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board Eligible	Board Attended	Business Development & Grants Eligible	Business Development & Grants Attended
Damien Patrick O'Malley	12	12	10	8
Pamela Jean Morrison	12	10	10	9
Dylan Mulgrew	12	11	-	-
Tim Crowley	12	12	-	-
Marnie Laurie	12	10	10	10
Katie Hedley	12	12	10	7
Rob Gemes	12	11	10	6
Charles Hall	6	6	-	-
Jennifer Crameri	4	1	-	-
Mark Nolan	4	4	-	-
Nicole Glazebrook	4	3	-	-
Matthew Spresser	4	4	-	-
David Ian Patrick	4	4	-	-
Cooper Brown	10	5	-	-

Directors' report (continued)

	Operations & Culture		Strategy, Governance & Stakeholder	
	Eligible	Attended	Eligible	Attended
Damien Patrick O'Malley	-	-	11	11
Pamela Jean Morrison	-	-	-	-
Dylan Mulgrew	-	-	11	10
Tim Crowley	10	8	-	-
Marnie Laurie	-	-	-	-
Katie Hedley	-	-	-	-
Rob Gemes	-	-	-	-
Charles Hall	6	5	-	-
Jennifer Crameri	-	-	-	-
Mark Nolan	-	-	3	2
Nicole Glazebrook	-	-	-	-
Matthew Spresser	-	-	-	-
David Ian Patrick	4	4	-	-
Cooper Brown	-	-	5	3

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

No directors hold an interest in company shareholdings.

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.

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.

Directors' report (continued)

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



Dylan Mulgrew
Treasurer

9 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 Barwon Heads Community Enterprise Limited

As lead auditor for the audit of Barwon Heads Community Enterprise 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: 14 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Financial statements

Barwon Heads Community Enterprise Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	1,207,626	1,210,822
Other revenue		23,503	26,457
Finance revenue		20,874	23,256
Total revenue		<u>1,252,003</u>	<u>1,260,535</u>
Employee benefits expense	7	(705,727)	(709,594)
Advertising and marketing costs		(32,935)	(11,888)
Occupancy and associated costs		(26,114)	(27,540)
System costs		(33,500)	(32,532)
Depreciation and amortisation expense	7	(117,978)	(117,867)
Finance costs	7	(39,263)	(43,034)
General administration expenses		(150,387)	(128,936)
Total expenses before community contributions and income tax expense		<u>(1,105,904)</u>	<u>(1,071,391)</u>
Profit before community contributions and income tax expense		146,099	189,144
Charitable donations, sponsorships and grants expense	7	<u>(102,285)</u>	<u>(88,890)</u>
Profit before income tax expense		43,814	100,254
Income tax expense	8	<u>(12,667)</u>	<u>(25,528)</u>
Profit after income tax expense for the year		31,147	74,726
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>31,147</u></u>	<u><u>74,726</u></u>
		Cents	Cents
Basic earnings per share	26	3.81	9.14
Diluted earnings per share	26	3.81	9.14

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

Financial statements (continued)

Barwon Heads Community Enterprise Limited Statement of financial position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	295,763	306,593
Trade and other receivables	10	93,711	88,996
Investments	11	557,956	530,679
Total current assets		<u>947,430</u>	<u>926,268</u>
Non-current assets			
Investment properties	14	16,638	32,882
Property, plant and equipment	12	146,579	175,898
Right-of-use assets	13	437,561	484,985
Intangible assets	15	10,977	24,150
Deferred tax assets	8	18,133	5,840
Total non-current assets		<u>629,888</u>	<u>723,755</u>
Total assets		<u>1,577,318</u>	<u>1,650,023</u>
Liabilities			
Current liabilities			
Trade and other payables	16	59,852	76,906
Lease liabilities	17	101,838	99,743
Current tax liabilities	8	24,960	16,018
Employee benefits		29,020	23,579
Total current liabilities		<u>215,670</u>	<u>216,246</u>
Non-current liabilities			
Lease liabilities	17	411,950	468,110
Employee benefits		5,199	3,333
Provisions		1,545	1,480
Total non-current liabilities		<u>418,694</u>	<u>472,923</u>
Total liabilities		<u>634,364</u>	<u>689,169</u>
Net assets		<u>942,954</u>	<u>960,854</u>
Equity			
Issued capital	18	789,491	789,491
Retained earnings		<u>153,463</u>	<u>171,363</u>
Total equity		<u>942,954</u>	<u>960,854</u>

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

Financial statements (continued)

Barwon Heads Community Enterprise Limited Statement of changes in equity For the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		789,491	153,859	943,350
Profit after income tax benefit		-	74,726	74,726
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	74,726	74,726
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(57,222)	(57,222)
Balance at 30 June 2025		<u>789,491</u>	<u>171,363</u>	<u>960,854</u>
 Balance at 1 July 2025		 789,491	 171,363	 960,854
Profit after income tax expense		-	31,147	31,147
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	31,147	31,147
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(49,047)	(49,047)
Balance at 30 June 2026		<u>789,491</u>	<u>153,463</u>	<u>942,954</u>

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

Financial statements (continued)

Barwon Heads Community Enterprise Limited Statement of cash flows For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,339,445	1,384,905
Payments to suppliers and employees (inclusive of GST)		(1,166,829)	(1,109,461)
Interest received		27,278	13,004
Income taxes paid		(16,018)	-
Net cash provided by operating activities	25	183,876	288,448
Cash flows from investing activities			
Payments for investments		(27,277)	(13,004)
Payments for property, plant and equipment		-	(12,163)
Payments for intangible assets		(13,301)	(13,301)
Net cash used in investing activities		(40,578)	(38,468)
Cash flows from financing activities			
Interest and other finance costs paid		(39,198)	(42,972)
Dividends paid	20	(49,047)	(57,222)
Repayment of lease liabilities		(65,883)	(60,125)
Net cash used in financing activities		(154,128)	(160,319)
Net increase/(decrease) in cash and cash equivalents		(10,830)	89,661
Cash and cash equivalents at the beginning of the financial year		306,593	216,932
Cash and cash equivalents at the end of the financial year	9	295,763	306,593

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

The financial statements cover Barwon Heads Community Enterprise 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 70 Hitchcock Avenue, Barwon Heads, VIC 3227.

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 14 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 recently 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's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

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)

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.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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.

Notes to the financial statements (continued)

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets 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, incurrence 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.

Notes to the financial statements (continued)

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

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.

Incremental borrowing rate

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

Note 5. Economic dependency

The company 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 current term of the franchise agreement expires in May 2027.

The franchise agreement includes two five-year renewal options, which the directors have a reasonable expectation that the franchise agreement will be renewed for a further five-year term upon expiry.

Based on this assessment, no material uncertainty has been identified that may cast significant doubt on the company's ability to continue as a going concern, and the financial report has been prepared on a going concern basis.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	1,061,842	1,058,807
Fee income	71,476	64,018
Commission income	74,308	87,997
	<u>1,207,626</u>	<u>1,210,822</u>

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	591,093	617,449
Superannuation contributions	71,653	69,650
Expenses related to long service leave	7,218	1,968
Other expenses	35,763	20,527
	<u>705,727</u>	<u>709,594</u>

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	23,869	23,138
Plant and equipment	5,450	7,633
	<u>29,319</u>	<u>30,771</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	58,292	56,782
Investment property	17,194	17,141
	<u>75,486</u>	<u>73,923</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,196	2,195
Franchise renewal fee	10,977	10,978
	<u>13,173</u>	<u>13,173</u>
	<u>117,978</u>	<u>117,867</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Finance costs

	2026 \$	2025 \$
Lease interest expense	39,198	42,972
Unwinding of make-good provision	65	62
	<u>39,263</u>	<u>43,034</u>

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	<u>102,285</u>	<u>88,890</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).

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	24,960	16,018
Movement in deferred tax	(12,293)	(8,267)
Future income tax benefit attributable to losses	-	17,777
Aggregate income tax expense	<u>12,667</u>	<u>25,528</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>43,814</u>	<u>100,254</u>
Tax at the statutory tax rate of 25%	10,954	25,064
Tax effect of:		
Non-deductible expenses	<u>1,713</u>	<u>464</u>
Income tax expense	<u>12,667</u>	<u>25,528</u>
	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(4,192)	(10,641)
Employee benefits	8,555	6,728
Lease liabilities	128,447	141,963
Provision for lease make good	386	370
Income accruals	(1,513)	(3,113)
Right-of-use assets	<u>(113,550)</u>	<u>(129,467)</u>
Deferred tax asset	<u>18,133</u>	<u>5,840</u>

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2026 \$	2025 \$
Provision for income tax	<u>24,960</u>	<u>16,018</u>

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	<u>295,763</u>	<u>306,593</u>

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	<u>81,067</u>	<u>72,674</u>
Accrued income	6,051	12,455
Prepayments	<u>6,593</u>	<u>3,867</u>
	<u>12,644</u>	<u>16,322</u>
	<u>93,711</u>	<u>88,996</u>

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	2026 \$	2025 \$
Total trade and other receivables	93,711	88,996
Less prepayments, included in trade and other receivables	<u>(6,593)</u>	<u>(3,867)</u>
	<u>87,118</u>	<u>85,129</u>

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)

Note 11. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	530,805	504,591
Managed funds	27,151	26,088
	<u>557,956</u>	<u>530,679</u>

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Leasehold improvements - at cost	248,854	248,854
Less: Accumulated depreciation	(113,219)	(89,350)
	<u>135,635</u>	<u>159,504</u>
Plant and equipment - at cost	53,875	53,875
Less: Accumulated depreciation	(42,931)	(37,481)
	<u>10,944</u>	<u>16,394</u>
	<u>146,579</u>	<u>175,898</u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2024	170,479	24,027	194,506
Additions	12,163	-	12,163
Depreciation	(23,138)	(7,633)	(30,771)
Balance at 30 June 2025	159,504	16,394	175,898
Depreciation	(23,869)	(5,450)	(29,319)
Balance at 30 June 2026	<u>135,635</u>	<u>10,944</u>	<u>146,579</u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	5 to 15 years
Plant and equipment	1 to 40 years

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

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

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

Notes to the financial statements (continued)

Note 13. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	920,452	909,584
Less: Accumulated depreciation	(482,891)	(424,599)
	<u>437,561</u>	<u>484,985</u>

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

	Land and buildings \$
Balance at 1 July 2024	520,624
Remeasurement adjustments	21,143
Depreciation expense	<u>(56,782)</u>
Balance at 30 June 2025	484,985
Remeasurement adjustments	10,868
Depreciation expense	<u>(58,292)</u>
Balance at 30 June 2026	<u>437,561</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 17 for more information on lease arrangements.

Note 14. Investment properties

	2026 \$	2025 \$
Investment property - sublease - at cost	80,407	79,457
Less: Accumulated depreciation	(63,769)	(46,575)
	<u>16,638</u>	<u>32,882</u>

Reconciliation

Reconciliation of the beginning and end of the current and previous financial year are set out below:

Opening balance	32,882	48,176
Remeasurement adjustments	950	1,847
Depreciation expense	<u>(17,194)</u>	<u>(17,141)</u>
Closing amount	<u>16,638</u>	<u>32,882</u>

The investment property is an operating sublease which is for a period of 5 years commencing June 2022.

Notes to the financial statements (continued)

Note 14. Investment properties (continued)

Accounting policy for investment properties - sublease

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting policies in note 17 and note 13 before separately identifying the sublease portion under AASB 140 *Investment Property*. The investment property is initially measured at cost under AASB 16 *Leases* and subsequently measured at cost less accumulated depreciation under AASB 140. The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

During the sublease term the company recognises sublease income in other revenue when earned. Depreciation on the right-of-use asset and interest on the lease liability is recognised under the head lease. The company recognises the sublease portion of the right-of-use asset within investment property.

Note 15. Intangible assets

	2026 \$	2025 \$
Franchise fee	32,169	32,169
Less: Accumulated amortisation	(30,340)	(28,144)
	<u>1,829</u>	<u>4,025</u>
Franchise renewal fee	110,848	110,848
Less: Accumulated amortisation	(101,700)	(90,723)
	<u>9,148</u>	<u>20,125</u>
	<u>10,977</u>	<u>24,150</u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2024	6,220	31,103	37,323
Amortisation expense	(2,195)	(10,978)	(13,173)
Balance at 30 June 2025	4,025	20,125	24,150
Amortisation expense	(2,196)	(10,977)	(13,173)
Balance at 30 June 2026	<u>1,829</u>	<u>9,148</u>	<u>10,977</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. The company has also acquired a customer list from Bendigo Bank.

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 and rights to revenue share acquired are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	May 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	May 2027

Notes to the financial statements (continued)

Note 15. Intangible assets (continued)

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

Note 16. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Other payables and accruals	59,852	76,906
	<u>59,852</u>	<u>76,906</u>
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	59,852	76,906
Less statutory payables, included in trade and other payables	(38,616)	(35,350)
	<u>21,236</u>	<u>41,556</u>

Note 17. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	101,838	99,743
	<u>101,838</u>	<u>99,743</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	411,950	468,110
	<u>411,950</u>	<u>468,110</u>
<i>Reconciliation of lease liabilities</i>		
	2026 \$	2025 \$
Opening balance	567,853	604,988
Remeasurement adjustments	11,818	22,990
Lease interest expense	39,198	42,972
Lease payments - total cash outflow	(105,081)	(103,097)
	<u>513,788</u>	<u>567,853</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.

Notes to the financial statements (continued)

Note 17. Lease liabilities (continued)

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Barwon Heads Branch	7.5%	7 years	3 x 5 years	Yes - 1 x 5 years	June 2032

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	817,452	817,452	817,464	817,464
Less: Equity raising costs	-	-	(27,973)	(27,973)
	<u>817,452</u>	<u>817,452</u>	<u>789,491</u>	<u>789,491</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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 241. As at the date of this report, the company had 268 shareholders (2025: 268 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)

Note 20. Dividends

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 6 cents per share (2025: 7 cents)	49,047	57,222

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	120,159	139,233
Franking credits (debits) arising from income taxes paid (refunded)	16,018	-
Franking debits from the payment of franked distributions	(16,349)	(19,074)
	119,828	120,159
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	119,828	120,159
Franking credits (debits) that will arise from payment (refund) of income tax	24,960	16,018
Franking credits available for future reporting periods	144,788	136,177

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)

Note 21. Financial risk management (continued)

	2026 \$	2025 \$
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	295,763	306,593
Trade and other receivables (note 10)	87,118	85,129
Term deposits (note 11)	530,805	504,591
	<u>913,686</u>	<u>896,313</u>
Financial assets at fair value through profit or loss		
Managed funds (note 11)	<u>27,151</u>	<u>26,088</u>
Financial liabilities		
Trade and other payables (note 16)	21,236	41,556
Lease liabilities (note 17)	513,788	567,853
	<u>535,024</u>	<u>609,409</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

- Amortised cost
- Fair value through profit or loss (FVTPL)

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

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

The company's financial assets measured at FVTPL comprise investments in managed funds over which the company does not have significant influence nor control.

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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$295,763 and term deposits of \$530,805 at 30 June 2026 (2025: \$306,593 and \$504,591).

Price risk

The company is not exposed to any significant price risk.

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026				
Trade and other payables	21,236	-	-	21,236
Lease liabilities	105,262	421,047	105,262	631,571
Total non-derivatives	126,498	421,047	105,262	652,807
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	41,556	-	-	41,556
Lease liabilities	103,097	412,386	206,193	721,676
Total non-derivatives	144,653	412,386	206,193	763,232

Note 22. Key management personnel disclosures

The following persons were directors of Barwon Heads Community Enterprise Limited during the financial year and/or up to the date of signing of these Financial Statements

Damien Patrick O'Malley
Pamela Jean Morrison
Dylan Mulgrew
Tim Crowley
Marnie Laurie
Katie Hedley
Rob Gemes

Charles Hall
Jennifer Crameri
Mark Nolan
Nicole Glazebrook
Matthew Spresser
David Ian Patrick
Cooper Brown

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.

Notes to the financial statements (continued)

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.

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
During the period the company paid a sponsorship to Barwon Heads Football & Netball Club, of which a director is member. The total benefit received was:	14,634	12,500
During the period the company paid a sponsorship to Barwon Heads Cricket Club, of which a director is a member. The total benefit received was:	12,500	12,500
During the period the company paid a sponsorship to Armstrong Creek Football & Netball Club, of which a director is a member. The total benefit received was:	7,612	-
During the period the company paid a sponsorship to Barwon Heads Football & Netball Club, of which a director is a member. The total benefit received was:	1,093	-
During the period the company paid a sponsorship to Barwon Heads Cycling Club, of which a director is a member. The total benefit received was:	4,546	-
During the period the company paid a sponsorship to Barwon Heads Seagulls Basketball Club, of which a director is a member. The total benefit received was:	5,000	-
During the period the company paid a sponsorship to Barwon Heads Soccer Club, of which a director is a member. The total benefit received was:	10,810	-
During the period the company paid a sponsorship to Barwon Heads Tennis Club, of which a director is a member. The total benefit received was:	3,575	-
During the period the company paid a sponsorship to Committee for Geelong, of which a director is a member. The total benefit received was:	1,818	-
During the period the company made a payment to Damien O'Malley, a related party of the company. The total benefit received was:	495	-
During the period the company made a payment to Tim Crowley, a related party of the company. The total benefit received was:	350	-
During the period the company paid a sponsorship to the Armstrong United Football Club of which a director's family member is a member. The total benefit received was:	9,000	-

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 \$
Audit services		
Audit or review of the financial statements	8,165	8,230
 Taxation advice and tax compliance services	1,149	265
General advisory services	5,180	5,180
Share registry services	5,455	5,880
	11,784	11,325
	19,949	19,555

Notes to the financial statements (continued)

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	31,147	74,726
Adjustments for:		
Depreciation and amortisation	117,978	117,867
Lease liabilities interest	39,198	42,972
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(4,715)	4,702
Decrease/(increase) in deferred tax assets	(12,293)	9,510
Increase/(decrease) in trade and other payables	(3,753)	8,214
Increase in provision for income tax	8,942	16,018
Increase in employee benefits	7,307	14,377
Increase in other provisions	65	62
Net cash provided by operating activities	<u>183,876</u>	<u>288,448</u>

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	<u>31,147</u>	<u>74,726</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>817,452</u>	<u>817,452</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>817,452</u>	<u>817,452</u>
	Cents	Cents
Basic earnings per share	3.81	9.14
Diluted earnings per share	3.81	9.14

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Barwon Heads Community Enterprise 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

No 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.

Directors' declaration

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



Dylan Mulgrew
Treasurer

9 September 2026

Independent audit report



Andrew Frewin Stewart
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03 5443 0344

Independent auditor's report to the members of Barwon Heads Community Enterprise Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Barwon Heads Community Enterprise 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
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of the company, 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 policies, and
- the Directors' declaration.

Basis for opinion

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

We 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.



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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained 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: 14 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

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/BarwonHeadsCommunityBankBranch



/bendigocb_barwon_heads

