Annual Report 2026

Calliope & District Enterprises Limited









Community Bank
Calliope and Gladstone

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Chair's report

For year ending 30 June 2026

On behalf of the Board of Directors, I am happy to present the 18th Annual Report for Calliope & District Enterprises Limited, financial year 2025/2026.

As another financial year comes to a close, I would like to thank customers, shareholders, staff and volunteers for your support over many years and for believing in the philosophy of Bendigo Community Bank. Thanks to your support Community Bank Calliope and District and Community Bank Gladstone have returned more than $5 million to our community since its inception. We have achieved great results in the commitment to the support of the not-for-profit sector in our region. A Franchise Agreement was re-signed for the next five (5) years and has been enacted.

We've seen an improvement in branch performance during the year with all credit going again to our hardworking staff. During the 2025/2026 financial year we were able to invest in our community as follows:

Donations	$12,936.00
Grants	$296,795.00
Sponsorships	$66,780.00
Scholarships	$55,000.00
Total	**$431,511.00**

The Board believes that Community Bank Calliope and District and Community Bank Gladstone are in a good financial position and will be able to provide a dividend to the shareholders once again this year. The Board welcomed a new Director in Carmen Smith who joined us at last year's AGM. Thanks to our Branch Manager Val Grace and the friendly, competent staff who are the face of our Community Banks, and for your continued service to our customers. We said farewell to long-time Executive Assistant Michelle Coombes, who we thank for her support over many years. Thank you to Not For Profit House for your administrative support during the year. It has been very much appreciated by all Board Directors.

To my fellow Directors, it's again been a challenging year, and I appreciate the hours you spend working to keep the Company moving and growing. We ask a lot of you, as we continue to build a sustainable banking business. Thank you for your support and I look forward to working with you in the coming year.



Rick Hansen
Chair

Senior Manager's report

For year ending 30 June 2026

1. Executive Overview

It is with great pride that I present the Senior Manager's report for the Community Bank Calliope and District and Community Bank Gladstone for the past financial year.

Over the past twelve months, our team has continued to demonstrate resilience, adaptability, and unwavering commitment to our customers and community. Navigating an evolving economic landscape marked by shifting interest rates and cost-of-living pressures, our branches have stood firm as reliable financial partners. More than just a retail bank, our unique Community Bank model has once again demonstrated that banking with purpose genuinely empowers our local communities across the Gladstone and Calliope regions.

Our performance this year reflects the trust our community places in us every day. Whether supporting first-home buyers, assisting local business owners in expanding their operations, or helping retirees manage their wealth safely, our focus has remained steadfast: delivering genuine, personalised, and relationship-focused banking.

2. Business Performance & Growth

Despite broader economic headwinds, both Calliope and Gladstone branches delivered solid results across core business lines:

- Lending & Deposits: Maintained a resilient lending portfolio by proactively working alongside residential, commercial, and agribusiness clients to structure sustainable finance solutions. Our deposit base remained steady, underpinned by strong community loyalty.
- Holistic Customer Conversations: Shifted our customer engagement model beyond simple transactional interactions to comprehensive, needs-based financial reviews. This approach ensured customers received relevant guidance on debt structuring, interest rate management, and wealth protection.
- Digital Adoption & Assisted Self-Service: Actively assisted customers in embracing Bendigo Bank's digital banking platforms and app features. Crucially, our team balanced digital enablement with our signature face-to-face personal service, ensuring no customer was left behind in the transition to modern banking technologies.

3. Community Engagement & Social Dividend

The core differentiator of our Community Bank model is our ability to return banking profits directly back into the neighborhoods where our customers live and work.

Highlights of our community footprint over the past year include:

- **Sponsorships & Community Grants:** Partnered with grass-roots sporting clubs, youth programs, and community organisations across Calliope and the greater Gladstone region, funding essential equipment, facilities, and regional community events.
- **Financial Literacy & Scam Awareness:** Led educational workshops and awareness sessions targeted at seniors and vulnerable community members. In an era of increasingly sophisticated financial fraud, our team took proactive steps to educate locals on scam identification, account security, and safe online habits.
- **Local Business Collaboration:** Actively participated in regional business networks and local council initiatives, promoting regional economic development and advocating for sustainable local commerce.

4. Branch Operations & Service Delivery

Delivering exceptional customer experiences relies on seamless branch infrastructure and robust operational logistics:

- **Branch Standards & Security:** Upheld high operational standards across physical facilities, cash handling, and customer privacy protocols to ensure safe, secure, and welcoming environments for both customers and staff.
- **Process Efficiency & Compliance:** Maintained strict adherence to regulatory standards, responsible lending codes, and internal audit requirements, demonstrating operational excellence across both branch footprints.
- **Collaborative Support:** Worked in close coordination with Bendigo and Adelaide Bank regional leadership and back-of-house operational teams to streamline processes and resolve complex customer inquiries efficiently.

5. Staff Acknowledgments & Recognition

Our achievements over the past year would simply not be possible without the exceptional team of professionals who staff our Calliope and Gladstone branches each day.

I want to extend my deepest appreciation to every team member for their dedication, adaptability, and customer-first mindset. Through changing industry demands, system updates, and everyday challenges, our staff have shown remarkable cohesion and enthusiasm. Their willingness to embrace continuous coaching, step up to lead holistic customer conversations, and represent our brand with integrity at community events is inspiring.

To the team: thank you for your hard work, your empathy, and the pride you take in serving our community. You are the true face of our branches.

6. Board of Directors & Strategic Partnership

I would like to express my sincere gratitude to our Chair and the entire volunteer Board of Directors of our Community Bank company.

Your visionary leadership, strategic governance, and unwavering advocacy for our region provide the strong foundation that allows our management and branch teams to thrive. Serving as a Director on a community enterprise demands significant personal time, energy, and commercial acumen. Thank you for your continued counsel, support, and partnership throughout the year.

I also extend our thanks to our regional corporate partners at Bendigo Bank for their ongoing operational support, technological investment, and shared commitment to the Community Bank network.

7. Looking Ahead

As we look toward the upcoming financial year, our priorities remain clear and focused:

1. **Expanding Lending Footprint:** Proactively seek out new lending opportunities in home, commercial, and agribusiness banking across the Calliope and Gladstone areas.
2. **Deepening Community Connections:** Leverage our sponsorships and grants to establish deeper relationship banking with local businesses, families, and community groups.
3. **Enhancing Digital & Fraud Resilience:** Continue educating our customer base on modern banking conveniences while reinforcing proactive fraud and scam safeguards.
4. **Talent & Leadership Development:** Invest in our branch staff through targeted capability building, career development pathways, and customer relationship excellence.

In closing, I want to thank our shareholders and customers for their continued loyalty and trust. Every account opened, loan settled, and transaction completed with our branches translates directly into positive local outcomes. We look forward to another successful year building a stronger, more prosperous Calliope and Gladstone community together.



Val Grace
Senior Branch Manager
Calliope & Gladstone Community Bank Branches Bendigo Bank

Directors' report

For the financial year ended 30 June 2026

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

Directors

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

Martha Jo Hill

Title: Non-executive director

Experience and expertise: Bachelor of Arts/Nursing for 36 years, now retired. Manager grazing and stud cattle enterprise. Previously Secretary/Treasurer and active member of the Calliope Rural Fire Brigade and committee member.

Special responsibilities: Company Secretary

Amanda Jane Gibbs

Title: Non-executive director

Experience and expertise: Business Owner, Accounts/Bookkeeping/Finance, Justice of the Peace (40 years).

Special responsibilities: Chair of Scholarship Committee

Karen Louise Windress

Title: Non-executive director

Experience and expertise: 15 years as an Accountant, 7 years as a Registered Tax Practitioner, Fellow of the National Tax Accountants Association, Associate of the Institute of Public Accountants, JP (Cdec). Community involvement – Treasurer of 2 Not for profits in the Gladstone, QLD region.

Special responsibilities: Treasurer

Francis James McKee

Title: Non-executive director

Experience and expertise: Born in 1948, Francis is a semi-retired Mechanic/Grazier, still having interests in his mechanical repair business as well his rural property. He has been involved with P&C, Progress and sporting committees, and is still involved with community affairs, including the Rural Fire Service and is also involved in the proposed Boyne Burnett Inland Rail Trail.

Special responsibilities: Nil

Directors (continued)

Richard Arthur Hansen

Title: Non-executive director

Experience and expertise: Previous Coordinator Main Maintenance Workshop Queensland Alumina Limited. Previous Councilor Gladstone Regional Council for 18 years. Semi Retired and Current Board Member Gladstone Airport Corporation. Current Patron Gladstone Amateur Basketball Association. Current Patron Gladstone Tennis & Squash. Current Secretary Gladstone Rotary Sunrise Club.

Special responsibilities: Chair

Andrew Davis

Title: Non-executive director

Experience and expertise: Business Development Manager (Gladstone Ports corporation). President of Boyne Tannum Hook up Annual Not-for-profit Fishing Competition. Manager. Small Business Owner. Marine Master/ Marine Engineer.

Special responsibilities: Nil

Carmen Smith

Title: Non-executive director (appointed 14 October 2025)

Experience and expertise: Qualified engineer with 25 years' experience across the food, mineral, industrial and public sectors, with expertise in corporate governance, risk management and regulatory compliance.

Special responsibilities: Nil

Company secretary

The company secretary is Martha Jo Hill. Martha was appointed to the position of company secretary on 8 April 2025.

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 $169,402 (30 June 2025: $77,350).

Operations have continued to perform in line with expectations.

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 7 cents per share (2025: 6.3 cents)	60,200	54,180

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

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

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

The number of directors' meetings attended by each of the directors' of the company during the financial year were:

	Board	
	Eligible	Attended
Martha Jo Hill	13	12
Amanda Jane Gibbs	13	10
Karen Louise Windress	13	11
Francis James McKee	13	11
Richard Arthur Hansen	13	13
Andrew Davis	13	11
Carmen Smith	10	9

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 22 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

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Martha Jo Hill	2,000	-	2,000
Amanda Jane Gibbs	4,001	-	4,001
Karen Louise Windress	-	-	-
Francis James McKee	1,000	-	1,000
Richard Arthur Hansen	-	-	-
Andrew Davis	-	-	-
Carmen Smith	-	-	-

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.

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 23 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



Richard Arthur Hansen
Chair

29 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

Auditor's independence declaration under section 307C of the *Corporations Act 2001* to the members of Calliope & District Enterprises Limited

As lead auditor for the audit of Calliope & District Enterprises 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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2026

Jessica Ritchie
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

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	2,044,562	1,921,262
Other revenue		25,533	-
Finance revenue		20,047	31,944
Total revenue		**2,090,142**	**1,953,206**
Employee benefits expense	7	(884,225)	(959,111)
Advertising and marketing costs		(55,358)	(88,071)
Occupancy and associated costs		(65,020)	(64,105)
System costs		(62,632)	(61,780)
Depreciation and amortisation expense	7	(178,662)	(167,387)
Finance costs	7	(43,807)	(46,115)
General administration expenses		(171,383)	(117,143)
Total expenses before community contributions and income tax		**(1,461,087)**	**(1,503,712)**
Profit before community contributions and income tax expense		629,055	449,494
Charitable donations, sponsorships and grants expense	7	(392,494)	(332,343)
Profit before income tax expense		**236,561**	**117,151**
Income tax expense	8	(67,159)	(39,801)
Profit after income tax expense for the year		**169,402**	**77,350**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**169,402**	**77,350**
		Cents	**Cents**
Basic earnings per share	25	19.70	8.99
Diluted earnings per share	25	19.70	8.99

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

Statement of financial position
as at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	362,072	261,772
Trade and other receivables	10	129,259	105,107
Investments	11	528,822	506,578
Total current assets		**1,020,153**	**873,457**
Non-current assets			
Property, plant and equipment	12	96,226	82,673
Right-of-use assets	13	730,425	806,920
Intangible assets	14	240,981	147,058
Deferred tax assets	8	17,474	17,485
Total non-current assets		**1,085,106**	**1,054,136**
Total assets		**2,105,259**	**1,927,593**
Liabilities			
Current liabilities			
Trade and other payables	15	96,582	83,973
Lease liabilities	16	129,417	124,944
Current tax liabilities	8	35,326	13,595
Total current liabilities		**261,325**	**222,512**
Non-current liabilities			
Trade and other payables	15	97,836	-
Lease liabilities	16	666,227	737,150
Employee benefits		8,813	8,813
Provisions		57,113	54,375
Total non-current liabilities		**829,989**	**800,338**
Total liabilities		**1,091,314**	**1,022,850**
Net assets		**1,013,945**	**904,743**
Equity			
Issued capital	17	832,020	832,020
Retained earnings		181,925	72,723
Total equity		**1,013,945**	**904,743**

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

Statement of changes in equity
for the year ended 30 June 2026

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		**832,020**	**49,553**	**881,573**
Profit after income tax expense		-	77,350	77,350
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**77,350**	**77,350**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(54,180)	(54,180)
Balance at 30 June 2025		**832,020**	**72,723**	**904,743**
Balance at 1 July 2025		**832,020**	**72,723**	**904,743**
Profit after income tax expense		-	169,402	169,402
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**169,402**	**169,402**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(60,200)	(60,200)
Balance at 30 June 2026		**832,020**	**181,925**	**1,013,945**

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

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)		2,253,383	2,111,030
Payments to suppliers and employees (inclusive of GST)		(1,848,680)	(1,749,149)
Interest received		22,244	23,223
Income taxes paid		(45,417)	(19,795)
Net cash provided by operating activities	**24**	**381,530**	**365,309**
Cash flows from investing activities			
Investment in term deposits		(22,244)	(22,975)
Payments for property, plant and equipment	12	(31,726)	(7,362)
Payments for intangible assets		(29,433)	(29,589)
Net cash used in investing activities		**(83,403)**	**(59,926)**
Cash flows from financing activities			
Interest and other finance costs paid		(41,069)	(43,509)
Dividends paid	19	(60,200)	(54,180)
Repayment of lease liabilities		(96,558)	(97,177)
Net cash used in financing activities		**(197,827)**	**(194,866)**
Net increase in cash and cash equivalents		100,300	110,517
Cash and cash equivalents at the beginning of the financial year		261,772	151,255
Cash and cash equivalents at the end of the financial year	**9**	**362,072**	**261,772**

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

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 3, 2041 Dawson Highway, Calliope QLD 4680.

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 29 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.

Note 3. Material accounting policy information (continued)

Investments

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

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. 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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

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.

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

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.

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 directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2030.

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.

Note 6. Revenue from contracts with customers

	2026 $	2025 $
Margin income	1,831,459	1,713,787
Fee income	117,864	113,112
Commission income	95,239	94,363
	2,044,562	**1,921,262**

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.

Note 6. Revenue from contracts with customers (continued)

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

Revenue stream	Includes	Performance obligation	Timing of recognition
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 income on core banking products is arrived at through the following calculation:

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

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

Commission income

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

Fee income

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

Core banking products

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

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	721,177	777,563
Superannuation contributions	92,016	96,513
Expenses related to long service leave	5,357	6,164
Other expenses	65,675	78,871
	884,225	**959,111**

Accounting policy for employee benefits

The company seconds employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	11,213	9,109
Plant and equipment	6,960	3,643
	18,173	**12,752**
Depreciation of right-of-use assets		
Leased land and buildings	**106,603**	**101,216**
Amortisation of intangible assets		
Franchise fee	4,536	4,070
Franchise establishment fee	5,833	14,000
Franchise renewal fee	18,517	10,349
Rights to revenue share	25,000	25,000
	53,886	**53,419**
	178,662	**167,387**

Finance costs

	2026 $	2025 $
Lease interest expense	41,069	43,509
Unwinding of make good provision	2,738	2,606
	43,807	**46,115**

Charitable donations, sponsorships and grants expense

	2026 $	2025 $
Direct donation, sponsorship and grant payments	142,494	129,185
Contribution to the Community Enterprise Foundation™ excluding management fee	250,000	203,158
	392,494	**332,343**

Note 7. Expenses (continued)

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

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

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

Note 8. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	67,148	40,799
Movement in deferred tax	11	(998)
Aggregate income tax expense	**67,159**	**39,801**
Prima facie income tax reconciliation		
Profit before income tax expense	**236,561**	**117,151**
Tax at the statutory tax rate of 25%	59,140	29,288
Tax effect of:		
Non-deductible expenses	8,019	10,513
Income tax expense	**67,159**	**39,801**

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(14,075)	(10,244)
Employee benefits	2,203	2,203
Provision for lease make good	14,278	13,594
Accrued expenses	1,425	1,350
Income accruals	(2,662)	(3,212)
Lease liabilities	198,911	215,524
Right-of-use assets	(182,606)	(201,730)
Deferred tax asset	**17,474**	**17,485**

	2026 $	2025 $
Provision for income tax	**35,326**	**13,595**

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.

Note 8. Income tax (continued)

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	**362,072**	**261,772**

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	**97,480**	**85,893**
Other receivables and accruals	15,527	-
Accrued income	10,648	12,845
Prepayments	5,604	6,369
	31,779	**19,214**
	129,259	**105,107**

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	129,259	105,107
Less statutory receivable from the ATO, included in trade and other receivables	(15,527)	-
Less prepayments	(5,604)	(6,369)
	108,128	**98,738**

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.

Note 11. Investments

	2026 $	2025 $
Current assets		
Term deposits	**528,822**	**506,578**

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	218,407	209,770
Less: Accumulated depreciation	(143,010)	(142,996)
	75,397	**66,774**
Plant and equipment - at cost	97,232	85,342
Less: Accumulated depreciation	(76,403)	(69,443)
	20,829	**15,899**
	96,226	**82,673**

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	75,883	12,180	88,063
Additions	-	7,362	7,362
Depreciation	(9,109)	(3,643)	(12,752)
Balance at 30 June 2025	**66,774**	**15,899**	**82,673**
Additions	19,836	11,890	31,726
Depreciation	(11,213)	(6,960)	(18,173)
Balance at 30 June 2026	**75,397**	**20,829**	**96,226**

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	6 to 20 years
Plant and equipment	2.5 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.

Note 13. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	1,348,336	1,318,228
Less: Accumulated depreciation	(617,911)	(511,308)
	730,425	**806,920**

Note 13. Right-of-use assets (continued)

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

	Land and buildings $
Balance at 1 July 2024	850,839
Remeasurement adjustments	57,297
Depreciation expense	(101,216)
Balance at 30 June 2025	**806,920**
Remeasurement adjustments	30,108
Depreciation expense	(106,603)
Balance at 30 June 2026	**730,425**

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 $	2025 $
Rights to revenue share	275,745	275,745
Less: Accumulated amortisation	(165,329)	(140,329)
	110,416	**135,416**
Franchise fee	70,001	45,366
Less: Accumulated amortisation	(48,240)	(43,704)
	21,761	**1,662**
Franchise renewal fee	250,000	126,826
Less: Accumulated amortisation	(141,196)	(122,679)
	108,804	**4,147**
Establishment fee	170,000	170,000
Less: Accumulated amortisation	(170,000)	(164,167)
	-	**5,833**
	240,981	**147,058**

Note 14. Intangible assets (continued)

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

	Rights to revenue share $	Franchise fee $	Franchise renewal fee $	Establishment fee $	Total $
Balance at 1 July 2024	160,416	5,732	14,496	19,833	200,477
Amortisation expense	(25,000)	(4,070)	(10,349)	(14,000)	(53,419)
Balance at 30 June 2025	**135,416**	**1,662**	**4,147**	**5,833**	**147,058**
Additions	-	24,635	123,174	-	147,809
Amortisation expense	(25,000)	(4,536)	(18,517)	(5,833)	(53,886)
Balance at 30 June 2026	**110,416**	**21,761**	**108,804**	**-**	**240,981**

Accounting policy for intangible assets

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

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

The franchise fees paid and rights to revenue share purchased by the company 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:

Asset class	Method	Useful life	Expiry/renewal date
Franchise establishment fee	Straight-line	Over the franchise term (5 years)	November 2025
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2030
Rights to revenue share	Straight-line	Over 10 years	December 2030

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

Note 15. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	18,395	22,755
Other payables and accruals	78,187	61,218
	96,582	**83,973**
Non-current liabilities		
Other payables and accruals	**97,836**	**-**
	194,418	**83,973**

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	194,418	83,973
Less statutory payables, included in trade and other payables	-	(15,713)
	194,418	**68,260**

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	129,417	124,944
Non-current liabilities		
Land and buildings lease liabilities	666,227	737,150
	795,644	**862,094**

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	862,094	901,974
Remeasurement adjustments	30,108	57,297
Lease interest expense	41,069	43,509
Lease payments - total cash outflow	(137,627)	(140,686)
	795,644	**862,094**

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Calliope Branch	5.39%	5 years	1 x 5 years	Yes	February 2034
Gladstone Branch	4.79%	5 years	1 x 5 years	Yes	August 2032

Note 17. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	860,000	860,000	860,000	860,000
Less: Equity raising costs	-	-	(27,980)	(27,980)
	860,000	**860,000**	**832,020**	**832,020**

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.

Note 17. Issued capital (continued)

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.

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 204. As at the date of this report, the company had 240 shareholders (2025: 241 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 18. 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.

Note 19. 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 7 cents per share (2025: 6.3 cents)	**60,200**	**54,180**

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	141,539	139,804
Franking credits (debits) arising from income taxes paid (refunded)	45,417	19,795
Franking debits from the payment of franked distributions	(20,067)	(18,060)
	166,889	**141,539**
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	166,889	141,539
Franking credits (debits) that will arise from payment (refund) of income tax	35,326	13,595
Franking credits available for future reporting periods	**202,215**	**155,134**

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 20. 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.

Note 20. Financial risk management (continued)

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.

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	362,072	261,772
Trade and other receivables excluding prepayments (note 10)	108,128	98,738
Investments (note 11)	528,822	506,578
	999,022	**867,088**
Financial liabilities		
Trade and other payables (note 15)	194,418	68,260
Lease liabilities (note 16)	795,644	862,094
	990,062	**930,354**

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

The company's financial liabilities measured at amortised cost comprise trade and other payables and lease liabilities.

Note 20. Financial risk management (continued)

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $362,072 and investments of $528,822 at 30 June 2026 (2025: $261,772 and $506,578).

Price risk

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

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.

2026	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	96,582	97,836	-	194,418
Lease liabilities	139,392	557,567	248,010	944,969
Total non-derivatives	**235,974**	**655,403**	**248,010**	**1,139,387**

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	68,260	-	-	68,260
Lease liabilities	134,644	538,576	372,998	1,046,218
Total non-derivatives	**202,904**	**538,576**	**372,998**	**1,114,478**

Note 21. Key management personnel disclosures

The following persons were directors of Calliope & District Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

Martha Jo Hill	Richard Arthur Hansen
Amanda Jane Gibbs	Andrew Davis
Karen Louise Windress	Carmen Smith
Francis James McKee	

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

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

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

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 $
The company donated to Gladstone Gem, Rock & Mineral Club where a director is a member.	9,068	-
The company provided a sponsorship to the Boyne Tannum Hookup Association Incorporated of which Karen and Andrew are members.	15,000	40,000
The company made payments for business administration costs to Win for Business, of which Karen is a director.	6,100	-

Note 23. 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	**9,550**	**9,470**
Other services		
Taxation advice and tax compliance services	290	265
General advisory services	5,925	3,930
Share registry services	7,190	5,811
	13,405	**10,006**
	22,955	**19,476**

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit after income tax expense for the year	169,402	77,350
Adjustments for:		
Depreciation and amortisation	178,662	167,387
Lease liabilities interest	41,069	43,509
Change in operating assets and liabilities:		
Increase in trade and other receivables	(24,152)	(8,432)
Decrease in income tax refund due	-	7,409
Decrease/(increase) in deferred tax assets	11	(998)
Increase/(decrease) in trade and other payables	(7,931)	62,883
Increase in provision for income tax	21,731	13,595
Increase in other provisions	2,738	2,606
Net cash provided by operating activities	**381,530**	**365,309**

Note 25. Earnings per share

	2026 $	2025 $
Profit after income tax	**169,402**	**77,350**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	860,000	860,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	**860,000**	**860,000**

	Cents	Cents
Basic earnings per share	19.70	8.99
Diluted earnings per share	19.70	8.99

Note 26. Commitments

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

Note 27. Contingencies

There were no contingent liabilities or contingent assets at the date of this report (2025: Nil).

Note 28. Events after the reporting period

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

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

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

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



Richard Arthur Hansen
Chair

29 September 2026

Independent audit report

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

Independent auditor's report to the members of Calliope & District Enterprises Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Calliope & District Enterprises Limited (the company), is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Calliope & District Enterprises Limited, which comprises the:

- Statement of financial position as at 30 June 2026
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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.

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.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
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Our opinion on the financial report does not cover the other information and accordingly we will 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 it 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. Misstatement 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: http://www.auasb.gov.au/home.aspx. This description forms part of our auditor's report.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2026

Jessica Ritchie
Lead Auditor

afsbendigo.com.au

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communitybankcalliopeandgladstone

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_49383934 30/09/2026