

Annual Report 2026

Cobden & Districts
Community Finance
Limited

Community Bank
Cobden & Districts and Camperdown

ABN 84 117 781 049



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Chairman's report

For year ending 30 June 2026

On behalf of the Board of Directors of Cobden & Districts Community Finance Limited it is my pleasure to present the Annual Report for 2025-2026.

Despite numerous staffing concerns and shortages, I am pleased to advise the Company again made a profit in 2025-2026.

We were pleased to maintain our commitment to our shareholders with another 7 cent fully franked dividend this financial year.

It has been pleasing that we have again been able to support our community and this financial year have contributed over \$110,000 to community groups and individuals throughout the Corangamite Shire. We thank our customers for continuing to bank with us. Their loyalty is what allows us to invest back into our community and see great things happen.

We have made significant contributions to organisations, such as Camperdown and District Community House (\$13,636.00), Cobrico Hall (\$5,390.00), Timboon Recreation Reserve (\$10,000), Cobden Recreation Reserve (\$10,000), Camperdown Football/ Netball Club (\$5,000) and the Robbie Burns Celtic Festival (\$5,000) Again, our most rewarding contribution was our ability to supporting apprentices with purchase of tools and equipment. \$23,347 was shared between twenty apprentices, who each received funding to assist with their apprenticeships. We are proud to assist our local apprentices with their training and help keep our next generation of skilled workforce local. We are looking forward to continuing this project in 2026- 2027.

We have had a number of staff changes this year. Branch Manager Mumba Chalwe who, unfortunately, was only with us for 6 months left in April. In December Brodie Love resigned to become Branch Manager at Colac having been in an acting role there for 3 months and Dianne Van Huesden, after 15 years in Cobden and Camperdown, joined him as Lender in March. We wish them well in their future endeavours. This, however, was a huge loss of skills and experience and put the remaining staff under enormous pressure. To compound our issues our trainee Tarkyn Love completed his traineeship and moved to other employment and Makayla Tevelein left in April. Luckily, Charmaine Delgado Jimenez returned from maternity leave and for several months both she and Rebecca Lang had the mammoth task of holding the business together. The Board would like to extend a thank you for your professionalism, team approach, and commitment to Community Banking. Their commitment enabled our branches to continue supporting the Cobden and Camperdown communities during an exceptionally challenging period. We thank the Colac Branch for the support they offered during this incredibly difficult time, and having Brodie and Dianne was appreciated, and a pleasant surprise for customers. This support allowed us to open alternate branches on alternate days, continuing to support our communities.

Recruiting staff has been a great challenge but since the start of the 2026-2027 financial year I am pleased to say we have been able to recruit a new Branch Manager and fill a Customer Service Officer role. We still have more recruitment to undertake but feel we have a stable base to build from.

I would like to thank Regional Manager, Stacey O'Neill for her support during some difficult times in the past year and also extend my thanks to Ashdon Capp, State Manager and Justine Minne, Head of Community Banking, who have made themselves available when we needed extra support.

Fiona Noone, our Company Secretary, also resigned in January due to health issues and the Board thanks her for her thoroughness and support of the Board. It is greatly appreciated.

Chairman's report (continued)

Having appeared to have hit rock bottom we were extremely fortunate to find a new secretary, Kathrine Bryan. Kat has a great understanding of Governance and Board experience, and we have been extremely lucky and grateful to have her guidance through a difficult 6 months. When Bendigo required us to review and complete the attestation process for all policies in just a few short weeks Kat was key in getting the Board through this process.

Unfortunately, this year, Sam Henderson, Director, resigned because of work and family commitments. We thank him for the fresh, young approach and business understanding he brought to the table.

Bill Duncanson and Joan Scott continued to work hard as Directors. Both Bill and Joan have been great sounding boards, and their wealth of experience and wise counsel is always appreciated.

The Board has appointed two new Directors this year. Firstly, Fred Van Leerdam Joined the Board in February, bringing with him an understanding of community needs and the importance of Community banking in the Camperdown and Cobden communities. Montana Howard joined the Board as a Director in April and has brought a wealth of knowledge and expertise to the table. I would like to thank our new Directors for the commitment to their roles and the Community Bank.

Personally, I would like to thank all Board members for their ongoing support and dedication during a year which has again been difficult with many challenges thrown at us.

Recruitment of Board members is always on the agenda. Former Directors Milton Parlour and Gary Kimber continued to play a significant role serving on the Finance and Community Investment committees respectively and the Board thank them for their ongoing support and knowledge.

Julie Finney, Company Accountant, has continued to be ever vigilant and always available with sound advice and support and we thank her for her tireless work.

Despite a very challenging year I am optimistic that we are continuing to head in the right direction and with the support of our communities in the Corangamite Shire, our enthusiastic team of staff and a committed Board I am sure 2026-2027 will bring new challenges and opportunities that will continue to grow our business and allow us to support and reinvest in our Community.

Patricia Robertson
Chairman
2025-2026

Supporting our local community

\$1,243,370

Community
contributions
since 2006

Since opening for business in 2006 the customers of the Community Bank Cobden & Districts and Camperdown have returned more than \$1,243,370 into the local community by supporting the following clubs, organisations, and groups.



Arts, Culture & Heritage

Camperdown P&A Society Inc

Mr Sign

Rotary Club of Cobden

Crayfest Port Campbell Inc

Terang Co-op Show Buckets

Progressing Cobden

St Marys Church

Mitre 10 Show Buckets

Rotary Club of Cobden

Progressing Cobden (Historical Society)

Noorat & District Agricultural & Pastoral Society Inc

Robert Burns Festival



Education & Research

Camperdown Toy Library

Jessica Negrello

Total Tools apprentice program

Corangamite University of the Third Age



Health & Wellbeing

Cobden & District Senior Citizens

Cobden Health

Incahoots Graphic Design



Sports & Recreation

Cobden Recreation Reserve COM

Timboon & District Field & Game Club Inc

Pomborneit Cricket Club

Derrinallum Yacht & Power Boat Club Inc

Cobden Golf Club

Camperdown Football Netball Club Inc

South West Cricket

Cobden Indoor Bowling Club Inc

Simpson Football Netball Club Inc

Timboon Demons FNC

Camperdown Golf Club



Community Facilities & Infrastructure

Timboon Recreation Reserve

Girl Guides Australia

Camperdown & District Historical Society

Camperdown-Timboon Rail Trail Committee

South Western Model Engineers Inc

The Dixie Hall Community

\$110,960

Community
contributions
2025-26



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:	Patricia Jean Robertson
Title:	Non-executive director
Experience and expertise:	Past Mayor and Councillor of Town of Camperdown. Current Member of Rotary Club of Camperdown. Former Member and Past Chairman of Mt Leura and Mt Sugarloaf Committee of Management. Current Chairman of Camperdown - Timboon Rail Trail Committee. Past District Governor of Rotary International. Former member of Sunnyside House Board (25 years). Past school Council President (Camperdown Primary School and Camperdown Highschool). Treasurer, Rotary Club of Camperdown Inc.
Special responsibilities:	Chair
Name:	Norman William Duncanson
Title:	Non-executive director
Experience and expertise:	Norman is currently retired with 30 years in Dairy Factory Manufacture Management. 6 years Industry Trainer/Assessor. Diploma Food Technology. Nationally Accredited Industry Trainer. Lions Club Member - 46 years. National Treasurer Lions Eye Health/Vision Programs. Trustee Lions District Charitable Fund. Accredited Lay Presider Uniting Church.
Special responsibilities:	Deputy Chair, Community Investments & Innovation Development (CID)/Marketing Committee
Name:	Joan Lorraine Scott
Title:	Non-executive director
Experience and expertise:	Retired former business owner. Involved in CWA, Cobden Seniors, Cobden SWME (Miniature Railway). Experience in Marketing, Risk, PR/Communications and a qualified Marine Engineer.
Special responsibilities:	Nil
Name:	Fredrick John VanLeerdam
Title:	Non-executive director (appointed 3 February 2026)
Experience and expertise:	Tradesman and owner/operator of Cobden Tools and Trailers. Member of the Christian Reformed Church of Cobden. Experience in TV antenna repairs, installations and Webized MT.
Special responsibilities:	Nil
Name:	Montana Georgia Howard
Title:	Non-executive director (appointed 21 April 2026)
Experience and expertise:	Bachelor of Commerce (Accounting), Bachelor of Laws and Graduate Diploma of Legal Practice. Admitted as an Australian Lawyer.
Special responsibilities:	Nil
Name:	Samuel Robert Henderson
Title:	Non-executive director (resigned 31 March 2026)
Experience and expertise:	Samuel joined the board in July of 2024, bringing over five years of experience and a certificate III in graphic design and a commitment to community involvement and service. Samuel is actively involved in local not for profits, he is dedicated to giving back and expanding his impact through his role on the board.
Special responsibilities:	Nil

Directors' report (continued)

Company secretary

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

- Kathrine Ann Bryan was appointed company secretary on 20 February 2026.
- Fiona Noone was appointed company secretary on 18 December 2024 and ceased on 29 January 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 \$302,678 (30 June 2025: \$183,100).

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: 7 cents)	<u>50,751</u>	<u>50,751</u>

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.

Directors' report (continued)

Meetings of directors

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

	Board Eligible	Board Attended	Community Investments & Innovation Development/ Marketing Committee Eligible	Community Investments & Innovation Development/ Marketing Committee Attended	Finance Committee Eligible	Finance Committee Attended	People Risk & Asset Committee Eligible	People Risk & Asset Committee Attended
Patricia Jean Robertson	11	11	6	6	11	11	1	1
Joan Lorraine Scott	11	11	6	6	-	-	-	-
Norman William Duncanson	11	10	6	6	10	10	1	1
Fredrick John VanLeerdam	6	6	3	3	-	-	-	-
Montana Georgia Howard	4	4	-	-	-	-	-	-
Samuel Robert Henderson	7	2	2	2	-	-	-	-

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

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Patricia Jean Robertson	1,000	-	1,000
Joan Lorraine Scott	-	-	-
Norman William Duncanson	500	-	500
Fredrick John VanLeerdam	-	-	-
Montana Georgia Howard	-	1,500	1,500
Samuel Robert Henderson	-	-	-

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.

Directors' report (continued)

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

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

Auditor's independence declaration

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

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

On behalf of the directors



Patricia Jean Robertson
Chair

24 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 Cobden & Districts Community Finance Limited

As lead auditor for the audit of Cobden & Districts Community Finance 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: 24 September 2026

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

Adrian Downing
Lead Auditor

Financial statements

Cobden & Districts Community Finance 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	1,214,245	1,220,629
Finance revenue		24,361	23,280
Total revenue		<u>1,238,606</u>	<u>1,243,909</u>
Employee benefits expense	7	(447,854)	(596,154)
Advertising and marketing costs		(20,450)	(18,871)
Occupancy and associated costs		(44,345)	(41,194)
System costs		(29,205)	(33,421)
Depreciation and amortisation expense	7	(77,491)	(73,506)
Finance costs		(6,435)	(6,755)
General administration expenses		(97,655)	(100,083)
Total expenses before community contributions and income tax		<u>(723,435)</u>	<u>(869,984)</u>
Profit before community contributions and income tax expense		515,171	373,925
Charitable donations and sponsorships expense	7	<u>(110,960)</u>	<u>(129,354)</u>
Profit before income tax expense		404,211	244,571
Income tax expense	8	<u>(101,533)</u>	<u>(61,471)</u>
Profit after income tax expense for the year		302,678	183,100
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>302,678</u></u>	<u><u>183,100</u></u>
		Cents	Cents
Basic earnings per share	26	41.75	25.25
Diluted earnings per share	26	41.75	25.25

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

Financial statements (continued)

Cobden & Districts Community Finance Limited Statement of financial position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	74,643	55,962
Trade and other receivables	10	97,835	72,479
Investments	11	865,993	581,842
Current tax assets	8	-	12,421
Total current assets		<u>1,038,471</u>	<u>722,704</u>
Non-current assets			
Property, plant and equipment	12	316,342	346,931
Right-of-use assets	13	153,418	168,749
Intangible assets	14	114,524	143,155
Deferred tax assets	8	5,152	8,992
Total non-current assets		<u>589,436</u>	<u>667,827</u>
Total assets		<u>1,627,907</u>	<u>1,390,531</u>
Liabilities			
Current liabilities			
Trade and other payables	15	76,737	36,897
Lease liabilities	16	20,094	20,093
Current tax liabilities	8	44,311	-
Employee benefits	17	9,295	32,055
Total current liabilities		<u>150,437</u>	<u>89,045</u>
Non-current liabilities			
Trade and other payables	15	62,999	125,977
Lease liabilities	16	152,568	166,759
Employee benefits	17	1,598	575
Lease make good provision		5,931	5,728
Total non-current liabilities		<u>223,096</u>	<u>299,039</u>
Total liabilities		<u>373,533</u>	<u>388,084</u>
Net assets		<u>1,254,374</u>	<u>1,002,447</u>
Equity			
Issued capital	18	698,455	698,455
Retained earnings		<u>555,919</u>	<u>303,992</u>
Total equity		<u>1,254,374</u>	<u>1,002,447</u>

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

Financial statements (continued)

Cobden & Districts Community Finance 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		698,455	171,643	870,098
Profit after income tax expense		-	183,100	183,100
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	183,100	183,100
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(50,751)	(50,751)
Balance at 30 June 2025		<u>698,455</u>	<u>303,992</u>	<u>1,002,447</u>
 Balance at 1 July 2025		 698,455	 303,992	 1,002,447
Profit after income tax expense		-	302,678	302,678
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	302,678	302,678
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(50,751)	(50,751)
Balance at 30 June 2026		<u>698,455</u>	<u>555,919</u>	<u>1,254,374</u>

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

Financial statements (continued)

Cobden & Districts Community Finance 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)		1,305,278	1,366,255
Payments to suppliers and employees (inclusive of GST)		(887,892)	(1,055,419)
Interest received		29,151	22,929
Interest and other finance costs paid		(4)	-
Income taxes paid		(40,961)	(131,127)
Net cash provided by operating activities	25	405,572	202,638
Cash flows from investing activities			
Investment in term deposits		(284,151)	(72,929)
Payments for property, plant and equipment		(2,940)	(8,412)
Payments for intangible assets		(28,631)	(28,631)
Net cash used in investing activities		(315,722)	(109,972)
Cash flows from financing activities			
Interest and other finance costs paid		(6,228)	(6,560)
Dividends paid	20	(50,751)	(50,751)
Repayment of lease liabilities		(14,190)	(13,395)
Net cash used in financing activities		(71,169)	(70,706)
Net increase in cash and cash equivalents		18,681	21,960
Cash and cash equivalents at the beginning of the financial year		55,962	34,002
Cash and cash equivalents at the end of the financial year	9	74,643	55,962

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 Cobden & Districts Community Finance 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 37 Curdie Street, Cobden VIC 3266.

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 24 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.

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.

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

The preparation of the financial statements requires the directors to make judgements in applying the company's accounting policies. The judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below.

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

Judgements

Timing of revenue recognition associated with trail commission

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

Notes to the financial statements (continued)

Note 4. Critical accounting judgements (continued)

- 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.

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.

Note 5. Economic dependency

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

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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	1,003,470	1,028,505
Fee income	46,593	43,002
Commission income	164,182	149,122
	<u>1,214,245</u>	<u>1,220,629</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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

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	403,169	501,849
Non-cash benefits	7,519	11,636
Superannuation contributions	38,363	53,351
Expenses related to long service leave	(17,334)	2,731
Other expenses	16,137	26,587
	<u>447,854</u>	<u>596,154</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	2,284	2,284
Leasehold improvements	20,521	20,877
Plant and equipment	3,563	3,381
Motor vehicles	7,161	7,161
	<u>33,529</u>	<u>33,703</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>15,331</u>	<u>14,943</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	4,772	4,143
Franchise renewal fee	11,929	10,000
Franchise renewal fee - Camperdown	11,930	10,717
	<u>28,631</u>	<u>24,860</u>
	<u>77,491</u>	<u>73,506</u>

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under *AASB 16 Leases*. Expenses relating to low-value exempt leases are included in system costs expenses.

Charitable donations and sponsorships expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	<u>110,960</u>	<u>129,354</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).

Notes to the financial statements (continued)

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	97,693	62,215
Movement in deferred tax	3,840	(744)
Aggregate income tax expense	<u>101,533</u>	<u>61,471</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>404,211</u>	<u>244,571</u>
Tax at the statutory tax rate of 25%	101,053	61,143
Tax effect of:		
Non-deductible expenses	<u>480</u>	<u>328</u>
Income tax expense	<u>101,533</u>	<u>61,471</u>
	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	2,723	8,158
Provision for lease make good	1,483	1,432
Deductible prepayments	(2,766)	(2,828)
Income accruals	(1,098)	(2,296)
Lease liabilities	43,165	46,713
Right-of-use assets	<u>(38,355)</u>	<u>(42,187)</u>
Deferred tax asset	<u>5,152</u>	<u>8,992</u>
	2026 \$	2025 \$
Income tax refund due	<u>-</u>	<u>12,421</u>
	2026 \$	2025 \$
Provision for income tax	<u>44,311</u>	<u>-</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.

Notes to the financial statements (continued)

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	74,643	55,962

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	82,377	51,986
Accrued income	4,393	9,183
Prepayments	11,065	11,310
	15,458	20,493
	97,835	72,479
	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	97,835	72,479
Less prepayments, included in trade and other receivables	(11,065)	(11,310)
	86,770	61,169

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 \$
<i>Current assets</i>		
Term deposits	865,993	581,842

Notes to the financial statements (continued)

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Land - at cost	49,252	49,252
Buildings - at cost	91,366	91,366
Less: Accumulated depreciation	(33,484)	(31,200)
	57,882	60,166
Leasehold improvements - at cost	389,507	389,507
Less: Accumulated depreciation	(221,830)	(201,309)
	167,677	188,198
Plant and equipment - at cost	95,827	92,887
Less: Accumulated depreciation	(72,914)	(69,351)
	22,913	23,536
Motor vehicles - at cost	35,804	35,804
Less: Accumulated depreciation	(17,186)	(10,025)
	18,618	25,779
	<u>316,342</u>	<u>346,931</u>

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Motor Vehicle \$	Total \$
Balance at 1 July 2024	49,252	62,450	209,075	18,505	32,940	372,222
Additions	-	-	-	8,412	-	8,412
Depreciation	-	(2,284)	(20,877)	(3,381)	(7,161)	(33,703)
Balance at 30 June 2025	49,252	60,166	188,198	23,536	25,779	346,931
Additions	-	-	-	2,940	-	2,940
Depreciation	-	(2,284)	(20,521)	(3,563)	(7,161)	(33,529)
Balance at 30 June 2026	<u>49,252</u>	<u>57,882</u>	<u>167,677</u>	<u>22,913</u>	<u>18,618</u>	<u>316,342</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	4 to 40 years
Plant & equipment	1 to 40 years
Motor Vehicles	5 years
Buildings	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. Land is not depreciated.

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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	250,490	250,490
Less: Accumulated depreciation	(97,072)	(81,741)
	<u>153,418</u>	<u>168,749</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	172,601
Remeasurement adjustments	11,091
Depreciation expense	<u>(14,943)</u>
Balance at 30 June 2025	168,749
Depreciation expense	<u>(15,331)</u>
Balance at 30 June 2026	<u>153,418</u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 \$	2025 \$
Franchise fee	95,299	95,299
Less: Accumulated amortisation	(76,212)	(71,440)
	<u>19,087</u>	<u>23,859</u>
Franchise renewal fee	216,851	216,851
Less: Accumulated amortisation	(169,132)	(157,203)
	<u>47,719</u>	<u>59,648</u>
Franchise renewal fee - Camperdown	109,648	109,648
Less: Accumulated amortisation	(61,930)	(50,000)
	<u>47,718</u>	<u>59,648</u>
	<u>114,524</u>	<u>143,155</u>

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Franchise renewal fee - Camperdown \$	Total \$
Balance at 1 July 2024	4,143	10,717	10,000	24,860
Additions	23,859	59,648	59,648	143,155
Amortisation expense	(4,143)	(10,717)	(10,000)	(24,860)
Balance at 30 June 2025	23,859	59,648	59,648	143,155
Amortisation expense	(4,772)	(11,930)	(11,929)	(28,631)
Balance at 30 June 2026	<u>19,087</u>	<u>47,718</u>	<u>47,719</u>	<u>114,524</u>

Accounting policy for intangible assets

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

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

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2030
Franchise renewal fee - Camperdown	Straight-line	Over the franchise term (5 years)	June 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 \$
<i>Current liabilities</i>		
Trade payables	3,857	7,910
Other payables and accruals	<u>72,880</u>	<u>28,987</u>
	<u>76,737</u>	<u>36,897</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>62,999</u>	<u>125,977</u>
	<u>139,736</u>	<u>162,874</u>

Notes to the financial statements (continued)

Note 15. Trade and other payables (continued)

	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Trade and other payables	139,736	162,874
less other payables and accruals (net GST payable to the ATO)	(26,256)	(3,698)
	<u>113,480</u>	<u>159,176</u>

Note 16. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>20,094</u>	<u>20,093</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>152,568</u>	<u>166,759</u>
	<u>172,662</u>	<u>186,852</u>

Reconciliation of lease liabilities

	2026 \$	2025 \$
Opening balance	186,852	189,156
Remeasurement adjustments	-	11,091
Lease interest expense	6,228	6,560
Lease payments - total cash outflow	<u>(20,418)</u>	<u>(19,955)</u>
	<u>172,662</u>	<u>186,852</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Cobden Branch	3.54%	5 years	2 x 5 years	Yes	June 2036

Notes to the financial statements (continued)

Note 17. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	9,295	13,698
Long service leave	-	18,357
	<u>9,295</u>	<u>32,055</u>
<i>Non-current liabilities</i>		
Long service leave	<u>1,598</u>	<u>575</u>
	<u><u>10,893</u></u>	<u><u>32,630</u></u>

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

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

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	725,012	725,012	725,012	725,012
Less: Equity raising costs	-	-	(26,557)	(26,557)
	<u>725,012</u>	<u>725,012</u>	<u>698,455</u>	<u>698,455</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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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 302. As at the date of this report, the company had 320 shareholders (2025: 322 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.

Notes to the financial statements (continued)

Note 19. Capital management (continued)

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 20. Dividends

Dividends provided for and paid during the period

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

	2026 \$	2025 \$
Fully franked dividend of 7 cents per share (2025: 7 cents)	50,751	50,751

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	198,832	84,622
Franking credits (debits) arising from income taxes paid (refunded)	40,961	131,127
Franking debits from the payment of franked distributions	(16,917)	(16,917)
	222,876	198,832
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	222,876	198,832
Franking credits (debits) that will arise from payment (refund) of income tax	44,311	(12,421)
Franking credits available for future reporting periods	267,187	186,411

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 the company's principal financial risk exposures as liquidity risk, interest rate risk and credit concentration risk arising from its exposure to Bendigo Bank. The company is not materially exposed to foreign currency risk, equity price risk or commodity price risk. Other financial risks are not significant to the company due to the following factors:

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

- 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)	74,643	55,962
Trade and other receivables excluding prepayments (note 10)	86,770	61,169
Investments (note 11)	865,993	581,842
	<u>1,027,406</u>	<u>698,973</u>
Financial liabilities		
Trade and other payables (note 15)	113,480	159,176
Lease liabilities (note 16)	172,662	186,852
	<u>286,142</u>	<u>346,028</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.

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.

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)

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the company's finance income or the value of its financial instruments. The company is exposed to movements in interest rates through cash and cash equivalents and term deposits held with Bendigo Bank. At 30 June 2026, the company held cash and cash equivalents of \$74,643 and term deposits of \$865,993 (2025: \$55,962 and \$581,842 respectively).

Credit concentration risk

Credit concentration risk is the risk of financial loss arising from a significant exposure to a single counterparty. The company's cash and cash equivalents, term deposits and principal trade receivables are concentrated with Bendigo Bank due to the nature of the Community Bank franchise arrangement. The company monitors this exposure by reviewing Bendigo Bank's credit ratings and has not recognised an expected credit loss allowance in relation to its trade receivables.

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	50,481	62,999	-	113,480
Lease liabilities	20,417	81,670	102,087	204,174
Total non-derivatives	70,898	144,669	102,087	317,654
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	33,199	125,977	-	159,176
Lease liabilities	20,417	81,670	122,504	224,591
Total non-derivatives	53,616	207,647	122,504	383,767

Note 22. Key management personnel disclosures

The following persons were directors of Cobden & Districts Community Finance Limited during the financial year and/or up to the date of signing of these Financial Statements.

Patricia Jean Robertson
Norman William Duncanson
Joan Lorraine Scott

Fredrick John VanLeerdam
Montana Georgia Howard
Samuel Robert Henderson

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

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

Note 23. Related party transactions

Key management personnel

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

Notes to the financial statements (continued)

Note 23. Related party transactions (continued)

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 provided a grant to the Camperdown Timboon Rail Trail where a director is on the board of the committee.	-	7,000
The company provided a grant to South Western Model Engineers Inc, where Joan Scott is a committee member.	2,600	-

Note 24. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	9,241	8,600
<i>Other services</i>		
General advisory services	3,815	3,565
Share registry services	8,610	7,160
	12,425	10,725
	21,666	19,325

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	302,678	183,100
Adjustments for:		
Depreciation and amortisation	77,491	73,506
Lease liabilities interest	6,228	6,560
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(25,356)	28,664
Decrease/(increase) in income tax refund due	12,421	(12,421)
Decrease/(increase) in deferred tax assets	3,840	(744)
Increase/(decrease) in trade and other payables	5,493	(15,861)
Increase/(decrease) in provision for income tax	44,311	(56,491)
Decrease in employee benefits	(21,737)	(3,871)
Increase in other provisions	203	196
Net cash provided by operating activities	<u>405,572</u>	<u>202,638</u>

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	<u>302,678</u>	<u>183,100</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>725,012</u>	<u>725,012</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>725,012</u>	<u>725,012</u>
	Cents	Cents
Basic earnings per share	41.75	25.25
Diluted earnings per share	41.75	25.25

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Cobden & Districts Community Finance 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



Patricia Jean Robertson
Chair

24 September 2026

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

Independent Auditor's Report to the Members of Cobden & Districts Community Finance Limited

Report on the Audit of the Financial Report

Opinion

In our opinion, the accompanying financial report of Cobden & Districts Community Finance 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 Cobden & Districts Community Finance Limited, which comprises:

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

Basis for opinion

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

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

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

Other information

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

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



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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: [Auditor's responsibilities description](#). 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: 24 September 2026

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

Adrian Downing
Lead Auditor

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