Annual Report 2026

Heywood & District Community Enterprise Limited

Community Bank
Heywood & District

ABN 25 137 222 345

HEYWOOD & DISTRICT COMMUNITY ENTERPRISE LTD
ABN 25 137 222 345

2026 ANNUAL REPORT

Community Bank
Heywood & District

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Chairperson's Report

Community Bank Heywood & District continued in 2025/26 to run as a profitable enterprise with a forecast end of year profit of $40,000. It should be noted that the forecast end of year result includes an investment of $70,000 into the Sandhurst Community Investment Fund as a reserve for future community sponsorship and grants.

Community Bank Heywood & District, returns profits to the community so we would encourage you to continue to support our bank. In 2025/26, $147,398 was contributed in sponsorship or grants to a wide range of local community organisations. Once again we sponsored 3 local students to attend the Magic Moment Youth Leadership Conference held in NSW. Given the success of this program in enabling local youth to develop their abilities the Board committed to funding local youth to attend this in 2026/27.

The financial sector like many other sectors in our current economy faces increasing complexity and stresses. I would like to thank my fellow directors for their unwavering commitment, dedication and professionalism in ensuring Community Bank Heywood & District continues to be successful. In particular I would like to acknowledge the significant work put in by Natasha as secretary and Lydia as treasurer to the Board.

The Board would like to thank Aaron and the staff at the branch for their dedication and commitment to the Heywood Branch. You are the face of the bank and the major reason we are successful. Keep up the good work. A special thanks to Sarah Bolte who has resigned from the branch after being with the bank since commencement. Her knowledge and commitment to the branch was of the highest standard.

Finally thank you to the community for continuing to support the Community Bank Heywood & District. Our aim is to serve you to the best of our ability and be the best Community Bank in Western Victoria.

Phil Saunders
Chair

Branch Manager’s Report

As the Branch Manager of Community Bank Heywood & District , I am delighted to present my annual report to the Board and shareholders for the 2025/26 financial year. It's a privilege to lead all of my staff and watched them grow to become successful in our business. Over the year they have all adapted to many changes and challenges, while ensuring that our high standards of customer service never wavered.

I shared in my report last year, that it was a year of change both in individual staff and operations in banking more broadly. I also shared that I believed our staff had the capability and resources to succeed in the new year. This year, I’m proud to share that we have managed to grow our total footings at Community Bank Heywood & District by over 10 million dollars. I would like to thank all of our customers for their continued support over the year, helping us grow as a business and ultimately allowing us to provide more funding back into our local community.

We ended the year with Sarah leaving the business and opting for a new role outside of the bank. Over her 8 years with the business, she has had an amazing impact on many customers and was always the first to put her hand up to volunteer at all local events that we supported. I would like to thank Sarah for her unwavering support of our customers, staff and myself personally over my time in the business.

The Community Bank Model suggests that the more customers that bank with us, then the more contributions we can make to our community. Whether it’s through Sponsorship and Grants or through Dividends paid back to Shareholders, the model guarantees that profits remain in our local area. In the new year my team and I, along with the board of directors, will aim to ensure our local community understand this and what it means to bank with us.

I would like to thank my colleagues, including my fellow Branch Managers for their support and collaboration this this year, with a special mention to our Regional Manager, Stacey O’Neill for her strong leadership and guidance. I would like to extend my gratitude to the board of Directors for their ongoing support of myself and their commitment to our community.

As we move into the next Financial Year, I am looking forward to bringing in new staff into our business and watching them grow into their roles. Aswell as continue to coach and support our existing staff members.



Aaron Welfare
Branch Manager

Community Bank Report 2026
BEN Message

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

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

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

In FY25, more than $50 million was invested back into local communities, adding to a total of $416 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than $1.6m in scholarships awarded.

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

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

Community Bank National Council Report

CBNC: Supporting Local Leadership and National Strategy

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

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

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

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

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

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

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

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

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

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

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

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

Heywood & District Community Enterprise Ltd

ABN: 25 137 222 345

Financial Report for the year ended 30 June 2026

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Heywood & District Community Enterprise Ltd

Directors' Report

For the year ended 30 June 2026

The Directors present their report, together with the financial statements, on Heywood & District Community Enterprise Ltd for the financial year ended 30 June 2026.

Board of Directors

The following persons were Directors of Heywood & District Community Enterprise Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

PHIL SAUNDERS	
Title:	Chair
Qualifications:	
Experience & Expertise:	Farmer, Life Governor of Heywood Rural Health, Past Chair Heywood Rural Health, Past Director of Glenelg Hopkins Catchment Management Authority, Independent member Glenelg Council Audit and Risk Committee, Director Seaview House.

ROBYN PHILLIPS (Retired 26/11/2025)	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Customer Relations Manager - Wannon Water, Member of Heywood Community Bank Steering Committee, Office bearer with various community groups including Heywood Football Netball Club, Heywood Wood Wine & Roses Committee.

GREY MAY (Appointed 26/11/2025)	
	Non-Executive Director
	Masters of Education Studies, a Bachelor of Arts and a Diploma in Education
	Gregory has broad experience in the Education Sector, having held a variety of leadership positions, and has particular skills in Research and Analysis as well as strategic planning, both short and long term.

DESMON NEWTON GRAY	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Company Director - Heywood Hardware, Member of Heywood Community Bank Steering Committee, Foundation Secretary and life member Heywood Apex, 23 years member of Heywood Football Netball Club.

LYDIA ATWELL (Appointed 26/11/2025)	
	Treasurer
	Lydia holds a Bachelor of Commerce and is a qualified Chartered Accountant (CA)
	Lydia Atwell has previously served as a director and has been actively involved with the board for over 12 years and is currently a director of a local Accounting Firm and brings extensive expertise in financial accounting, taxation, financial reporting and analysis, budgeting, bookkeeping, and business advisory. With deep knowledge of the organisation and a strong foundation in financial management and governance.

ANDREW GEORGE MCRAE	
Title:	Non-Executive Director
Qualifications:	Dairy Farm Management
Experience & Expertise:	Dairy Farmer, Member of Heywood Community Bank Steering Committee, 8 years Secondary School Council, President of UDF.

Heywood & District Community Enterprise Ltd

Directors' Report
For the year ended 30 June 2026

ANDREW CAIN	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Twenty two years in agriculture, 14 years owner and manager beef and lamb farms.

ANDREW LEGG	
Title:	Non-Executive Director
Qualifications:	Advanced Diploma of Agriculture
Experience & Expertise:	16 years roof tiler, 30 years Dairy Farmer, 15 years CFA, 20 years community Santa, 6 years mentoring at Heywood Secondary College, 5 years Heywood Cemetery Trust.

JULIE FROST	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	10 years at Kepple Prince - steel fabrication company, 30 years employed with Heywood Rural health in the finance dept. Live and enjoyed 40 years with husband Wayne in beef breeding and primary production.

ROBERT OWEN (Resigned September 2025)	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	

NATASHA MOORE	
Title:	Secretary
Qualifications:	Natasha holds, Advanced Diploma of Financial Services (Financial Planning), Diploma of business (Accounting), Cert in Bookkeeping.
Experience & Expertise:	Serves on a number of local community committees / organisations.

SUSIE LYONS	
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts (Spanish and Mandarin Chinese), Grad Dip in Communications (Journalism) Cert IV in Governance, Advance Leadership Program.
Experience & Expertise:	Marketing, stakeholder management, strategic planning.

Directors were in office for this entire year unless otherwise stated.
No Directors have material interests in contracts or proposed contracts with the Company.

Heywood & District Community Enterprise Ltd

Directors' Report
For the year ended 30 June 2026

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
PHIL SAUNDERS	11	10
ROBYN PHILLIPS (Retired 26/11/2025)	4	3
GREY MAY (Appointed 26/11/2025)	6	5
DESMON NEWTON GRAY	11	8
LYDIA ATWELL (Appointed 26/11/2025)	6	5
ANDREW GEORGE MCRAE	11	10
ANDREW CAIN	11	8
ANDREW LEGG	11	10
JULIE FROST	11	9
ROBERT OWEN (Resigned September 2025)	3	1
NATASHA MOORE	11	11
SUSIE LYONS	11	10

A - The number of meetings eligible to attend.
B - The number of meetings attended.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Natasha Moore	
Qualifications:	Natasha holds, Advanced Diploma of Financial Services (Financial Planning), Diploma of business (Accounting), Cert in Bookkeeping.
Experience & Expertise:	Services on a number of other community organisations.

Principal Activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit /(loss) of the Company for the financial year after provision for income tax was:

	30 June 2026 ($)	30 June 2025 ($)	Movement
Profit After Tax	40,878	-13,733	-398%

Contributions have been made to the Community Enterprise Foundation in 2026.

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.

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2025	Changes During the Year	Balance at 30 June 2026
PHIL SAUNDERS	2	1,999	2,001
ROBYN PHILLIPS (Retired 26/11/2025)	501	- 1	500
GREY MAY (Appointed 26/11/2025)	-	201	201
DESMON NEWTON GRAY	41,001	-	41,001
LYDIA ATWELL (Appointed 26/11/2025)	-	1	1
ANDREW GEORGE MCRAE	47,001	-	47,001
ANDREW CAIN	2,001	-	2,001
ANDREW LEGG	1	2,000	2,001
JULIE FROST	1,501	-	1,501
ROBERT OWEN (Resigned September 2025)	1	- 1	-
NATASHA MOORE	1	-	1
SUSIE LYONS	1	-	1

Dividends

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

	Cents per Share	Total Amount ($)
Final unfranked dividend	4	$29,202
Total Amount	**4**	**$29,202**

Options

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

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the Company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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* .

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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 29 to the accounts.

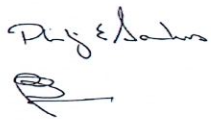
The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 in this financial report.

Signed in accordance with a resolution of the Board of Directors at Heywood, Victoria.



Phil Saunders
Chair/Director

Dated this 28th day of September, 2026

MH | McLAREN HUNT
AUDIT AND ASSURANCE

Auditor's Independence Declaration

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

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Heywood & District Community Enterprise Ltd.

Mclaren Hunt
MCLAREN HUNT
AUDIT AND ASSURANCE

N.L. MCLEAN
PARTNER

Dated at Warrnambool, 30 September 2026

199 Koroit Street | PO Box 677 | Warrnambool VIC 3280
P: (03) 5562 3544 | F: (03) 5562 0689 | E: admin@mhfg.com.au
www.mclarenhunt.com.au
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Heywood & District Community Enterprise Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue			
Revenue from contracts with customers	7	799,798	772,452
Other revenue	8	14,168	-
Finance income	9	19,401	32,751
		833,367	**805,203**
Expenses			
Employee benefits expense	10 (a)	(380,136)	(376,644)
Depreciation and amortisation	10 (b)	(47,998)	(55,580)
Finance costs	10 (c)	(16,571)	(10,831)
Administration and general costs		(100,301)	(49,850)
Occupancy expenses		(16,932)	(25,189)
IT expenses		(30,332)	(28,115)
Other expenses		(5,721)	(4,135)
		(597,991)	**(550,344)**
Operating profit before charitable donations and sponsorship		**235,376**	**254,859**
Charitable donations and sponsorship	10 (d)	(180,871)	(265,933)
Profit/(loss) before income tax		**54,505**	**(11,074)**
Income tax expense	11 (a)	(13,627)	(2,659)
Profit/(loss) for the year after income tax		**40,878**	**(13,733)**
Total comprehensive income attributable to ordinary shareholders of the company		**40,878**	**(13,733)**
Earnings per share		¢	¢
- basic and diluted earnings per share	31	5.60	(1.88)

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Financial Position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	12	101,373	81,222
Trade and other receivables	13	69,617	63,094
Financial assets	14	752,587	716,269
Current tax asset	19	-	54,845
Other assets	15	17,869	20,461
Total current assets		**941,446**	**935,891**
Non-current assets			
Property, plant and equipment	16	157,532	70,396
Right-of-use assets	17	269,036	288,385
Intangible assets	18	49,997	64,281
Deferred tax assets	19	400	-
Total non-current assets		**476,965**	**423,062**
Total assets		**1,418,411**	**1,358,953**
Liabilities			
Current liabilities			
Trade and other payables	20	75,067	11,958
Current tax liability	19	8,646	-
Borrowings	21	15,713	15,713
Other liabilities		5,645	6,231
Lease liabilities	22	29,184	12,613
Employee benefits	23	16,689	17,677
Total current liabilities		**150,944**	**64,192**
Non-current liabilities			
Borrowings	21	31,427	47,140
Lease liabilities	22	245,208	274,392
Employee benefits	23	22,985	6,871
Deferred tax liability	19	-	10,187
Total non-current liabilities		**299,620**	**338,590**
Total liabilities		**450,564**	**402,782**
Net assets		**967,847**	**956,171**
Equity			
Issued capital	24	714,435	714,435
Retained earnings	25	253,412	241,736
Total equity		**967,847**	**956,171**

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Changes in Equity
For the year ended 30 June 2026

	Note	Issued Capital $	Retained Earnings $	Reserves $	Total Equity $
Balance at 1 July 2024		**714,435**	**291,970**	**-**	**1,006,405**
Comprehensive income for the year					
Net result for the year		-	(13,733)	-	(13,733)
Transactions with owners in their capacity as owners					
Dividends paid or provided	30	-	(36,501)	-	(36,501)
Balance at 30 June 2025		**714,435**	**241,736**	**-**	**956,171**
Balance at 1 July 2025		**714,435**	**241,736**	**-**	**956,171**
Comprehensive income for the year					
Net result for the year		-	40,878	-	40,878
Transactions with owners in their capacity as owners					
Dividends paid or provided	30	-	(29,202)	-	(29,202)
Balance at 30 June 2026		**714,435**	**253,412**	**-**	**967,847**

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		887,846	774,902
Payments to suppliers and employees		(651,754)	(780,623)
Interest paid		-	(10,831)
Interest received		19,401	32,751
Income tax paid		(22,838)	(120,296)
Net cash flows from/(used in) operating activities	26b	**232,655**	**(104,097)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(101,501)	-
Purchase of investments		(36,318)	(32,969)
Purchase of intangible assets		-	(71,424)
Net cash flows used in investing activities		**(137,819)**	**(104,393)**
Cash flows from financing activities			
Proceeds from borrowings		-	78,566
Repayment of borrowings		(15,713)	(15,713)
Repayment of lease liabilities		(29,184)	(21,309)
Dividends paid		(29,788)	(36,149)
Net cash flows from/(used in) financing activities		**(74,685)**	**5,395**
Net increase/(decrease) in cash held		**20,151**	**(203,095)**
Cash and cash equivalents at beginning of financial year		81,222	284,317
Cash and cash equivalents at end of financial year	26a	**101,373**	**81,222**

The accompanying notes form part of these financial statements

Notes to the Financial Statements
For the year ended 30 June 2026

Note 1. Corporate Information

These financial statements and notes represent those of Heywood & District Community Enterprise Ltd (the Company) as an individual entity. Heywood & District Community Enterprise Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 28th September 2026.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Bank branch at Heywood.

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.

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.

Note 3. Summary of Material Accounting Policies *(continued)*

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 relevant Bendigo Bank entity 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
- 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.

(b) 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

Note 3. Summary of Material Accounting Policies *(continued)*

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee Income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo and Adelaide Bank entities 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 and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

Note 3. Summary of Material Accounting Policies *(continued)*

(c) Other Revenue

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

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary Financial Contributions
In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

Note 3. Summary of Material Accounting Policies *(continued)*

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income 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.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Note 3. Summary of Material Accounting Policies *(continued)*

(g) Property, Plant & Equipment

Recognition & Measurement
Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Leasehold improvements	Straight line	10 years
Plant & equipment	Diminishing value	10 years

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement
Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation
Intangible assets 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
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

Note 3. Summary of Material Accounting Policies *(continued)*

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Note 3. Summary of Material Accounting Policies *(continued)*

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses
Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities
The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

Non-derivative Financial Instruments
The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements
At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Note 3. Summary of Material Accounting Policies *(continued)*

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2026.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Note 3. Summary of Material Accounting Policies *(continued)*

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

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

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2025 that are expected to have a significant impact on the Company's financial statements.

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors.

Note 4. Significant Accounting Judgements, Estimates & Assumptions *(continued)*

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) 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 remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Note 5. Financial Risk Management *(continued)*

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk.

The Company held cash and cash equivalents of $101,373 at 30 June 2026 (2025: $81,222). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

(a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and

(b) 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 year ended 30 June 2026 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 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2026 $	2025 $
Revenue		
- Revenue from contracts with customers	799,798	772,452
Disaggregation of Revenue From Contracts With Customers		
- Margin income	693,558	662,064
- Fee income	48,051	47,275
- Commission income	58,188	63,113
	799,798	**772,452**

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2026 $	2025 $
Other Revenue		
- Other income	14,168	-
	14,168	**-**

Note 9. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2026 $	2025 $
Finance Income		
At amortised cost:		
- Interest from term deposits	19,401	32,751
	19,401	**32,751**

Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2026 $	2025 $
Employee Benefits Expense		
- Wages & salaries	318,671	322,660
- Superannuation costs	36,988	35,580
- Other expenses related to employees	21,456	18,404
	377,115	**376,644**

(b) Depreciation & Amortisation Expense

	2026 $	2025 $
Depreciation of Non-current Assets		
- leasehold improvements	12,216	12,203
- furniture and fittings	2,148	3,711
	14,364	**15,914**
Depreciation of Right-of-use Assets		
- leased buildings	19,349	26,040
	19,349	**26,040**
Amortisation of Intangible Assets		
- franchise fees	14,285	13,626
	14,285	**13,626**
Total depreciation & amortisation expense	**47,998**	**55,580**

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2026 $	2025 $
Finance Costs		
- Interest paid	16,571	10,831
	16,571	**10,831**

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

Note 10. Expenses *(continued)*

(d) Community Investments & Sponsorship

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 and grants).

	Note	2026 $	2025 $
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		116,291	179,569
- Contribution to the Community Enterprise Foundation™	10(e)	60,455	86,364
		176,746	**265,933**

The funds contributed are held by the Community Enterprise Foundation (CEF) 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 in to 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.

(e) Community Enterprise Foundation™ (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2026 $	2025 $
Disaggregation of CEF Funds			
Opening balance		100,000	-
Contributions paid	10(d)	60,455	86,364
GST		6,363	9,091
Management fees incurred		3,182	4,545
Balance available for distribution		**170,000**	**100,000**

Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2026 $	2025 $
Current tax expense	24,213	4,761
Deferred tax expense	(10,586)	(2,912)
Under / (over) provision of prior years	-	810
	13,627	**2,659**

(b) *Prima Facie* Tax Payable

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2026 $	2025 $
Prima facie tax on profit / (loss) before income tax at 25% (2025: 25%)	13,626	(2,769)
Add Tax Effect Of:		
- Movement in deferred tax	-	(2,912)
- Under / (over) provision of prior years	-	810
- Temporary differences	1	7,529
Income tax attributable to the entity	**13,627**	**2,658**
The applicable weighted average effective tax rate is:	25.00%	-24.01%

Note 12. Cash & Cash Equivalents

	2026 $	2025 $
Cash at bank and on hand	101,373	81,222
	101,373	**81,222**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

Note 13. Trade & Other Receivables

	2026 $	2025 $
Current		
Trade receivables	69,617	63,094
	69,617	**63,094**

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 14. Financial Assets

	2026 $	2025 $
At Amortised Cost		
Term deposits	752,587	716,269
	752,587	**716,269**

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Other Assets

	2026 $	2025 $
Prepayments	5,923	6,095
Accrued income	11,946	14,366
	17,869	**20,461**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2026 $			2025 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	284,177	131,011	153,166	182,947	118,795	64,152
Furniture & fittings	34,511	30,144	4,367	34,240	27,996	6,244
Total	**318,688**	**161,155**	**157,532**	**217,187**	**146,791**	**70,396**

(b) Movements in Carrying Amounts

2026	Leasehold Imp. $	Furniture & Fittings $	Total
Opening carrying value	64,152	6,244	70,396
Additions	101,230	271	101,501
Disposals	-	-	-
Depreciation expense	(12,216)	(2,148)	(14,364)
Closing carrying value	**153,166**	**4,367**	**157,532**

2025	Leasehold Imp. $	Furniture & Fittings $	Total
Opening carrying value	76,355	9,955	86,310
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(12,203)	(3,711)	(15,914)
Closing carrying value	**64,152**	**6,244**	**70,396**

(c) Capital Expenditure Commitments

The entity has agreed to aquire the motor vehicle currently being donated by Warrnambool Auto Group from 1 July 2026 (2025: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings, plant and equipment.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2026			2025		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leased buildings	290,240	21,204	269,036	290,240	1,855	288,385
	290,240	**21,204**	**269,036**	**290,240**	**1,855**	**288,385**

Movements in carrying amounts:

	Leased Buildings $	Total ROU Asset $
Opening balance	288,385	288,385
Additions	-	-
Depreciation expense	(19,349)	(19,349)
Net carrying amount	**269,036**	**269,036**

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2026 $	2025 $
Depreciation expense related to right-of-use assets	19,349	26,040
Interest expense on lease liabilities	16,571	10,610

Note 18. Intangible Assets

(a) Carrying Amounts

	2026			2025		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	71,424	21,427	49,997	136,255	71,974	64,281
	71,424	**21,427**	**49,997**	**136,255**	**71,974**	**64,281**

(b) Movements in Carrying Amounts

2026	Franchise Fee $	Total
Opening carrying value	64,281	64,281
Additions	-	-
Disposals	-	-
Amortisation expense	(14,285)	(14,285)
Closing carrying value	**49,997**	**49,997**

2025	Franchise Fee $	Total
Opening carrying value	6,483	6,483
Additions	71,424	71,424
Disposals	-	-
Amortisation expense	(13,626)	(13,626)
Closing carrying value	**64,281**	**64,281**

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2026 $	2025 $
Income tax payable/(refundable)	8,646	(54,845)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2026:

	30 June 2025 $	Recognised in P & L $	30 June 2026 $
Deferred Tax Assets			
- Expense accruals	3,688	2,819	6,507
- Prepayments	1,524	(44)	1,480
- Employee provisions	6,137	3,782	9,919
Total deferred tax assets	**11,349**	**6,557**	**17,906**
Deferred Tax Liabilities			
- Right-of-use assets	345	(1,684)	(1,339)
- Accrued income	3,592	(606)	2,986
- Property, plant & equipment	17,599	(1,740)	15,859
Total deferred tax liabilities	**21,536**	**(4,030)**	**17,506**
Net deferred tax assets/(liabilities)	**(10,187)**	**10,587**	**400**

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 $	Recognised in P & L $	30 June 2025 $
Deferred Tax Assets			
- Expense accruals	3,364	324	3,688
- Prepayments	1,162	362	1,524
- Employee provisions	4,100	2,037	6,137
Total deferred tax assets	**8,626**	**2,723**	**11,349**
Deferred Tax Liabilities			
- Right-of-use assets	(3,498)	3,843	345
- Accrued income	3,646	(54)	3,592
- Property, plant & equipment	20,768	(3,169)	17,599
Total deferred tax liabilities	**20,916**	**620**	**21,536**
Net deferred tax assets/(liabilities)	**(12,290)**	**2,103**	**(10,187)**

Note 20. Trade & Other Payables

	2026 $	2025 $
Current		
Trade creditors	36,320	1,343
Net GST payable / (receivable)	3,932	(10,406)
Other creditors and accruals	34,815	21,021
	75,067	**11,958**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 21. Borrowings

	2026 $	2025 $
Current		
Unsecured Liabilities		
Franchise fee	15,713	15,713
	15,713	**15,713**
Non-Current		
Unsecured liabilities		
Franchise fee	31,427	47,140
	31,427	**47,140**
Total borrowings	**47,140**	**62,853**

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measures at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2026 $	2025 $
Current	29,184	12,613
Non-current	245,208	274,392

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2026 were as follows:

(b) Lease Liabilities (continued)

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2026					
Lease payments	29,184	29,184	87,552	255,120	401,040
Finance charges	(15,808)	(15,040)	(39,641)	(56,159)	(126,648)
Net present values	**13,376**	**14,144**	**47,911**	**198,961**	**274,392**
30 June 2025					
Lease payments	29,184	29,184	87,552	284,304	430,224
Finance charges	(16,571)	(15,808)	(42,414)	(68,426)	(143,219)
Net present values	**12,613**	**13,376**	**45,138**	**215,878**	**287,005**

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 23. Employee Benefits

	2026 $	2025 $
Current		
Provision for annual leave	16,689	13,402
Provision for long service leave	-	4,275
	16,689	**17,677**
Non-Current		
Provision for long service leave	22,985	6,871
	22,985	**6,871**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Note 24. Issued Capital

(a) Issued Capital

	2026		2025	
	Number	$	Number	$
Ordinary shares - fully paid	730,060	730,060	730,060	730,060
Less: equity raising costs	-	(15,625)	-	(15,625)
	730,060	**714,435**	**730,060**	**714,435**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2026 $	2025 $
Fully paid ordinary shares:		
At the beginning of the reporting period	730,060	730,060
Shares issued during the year	-	-
At the end of the reporting period	**730,060**	**730,060**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Note 25. Retained Earnings

	Note	2026 $	2025 $
Balance at the beginning of the reporting period		241,736	291,972
Profit/(loss) for the year after income tax		40,878	(13,733)
Dividends paid	30	(29,202)	(36,503)
Balance at the end of the reporting period		**253,412**	**241,736**

Note 26. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2026 $	2025 $
Cash and cash equivalents	12	101,373	81,222
As per the Statement of Cash Flows		**101,373**	**81,222**

(b) Reconciliation of cash flow from operations with profit/loss after income tax

	2026 $	2025 $
Profit/(loss) for the year after income tax	40,878	(13,733)
Non-cash flows in profit		
- Depreciation	14,364	15,914
- Amortisation	19,349	13,626
- Bad debts	14,285	26,040
- Lease adjustment	16,571	(20,074)
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(6,523)	2,233
- (Increase) / decrease in prepayments and other assets	2,592	(1,227)
- (Increase) / decrease in deferred tax asset	(6,237)	(945)
- Increase / (decrease) in trade and other payables	54,233	(17,361)
- Increase / (decrease) in current tax liability	62,116	(116,720)
- Increase / (decrease) in provisions	12,105	8,150
Net cash flows from / (used in) operating activities	**223,733**	**(104,097)**

Note 27. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2026 $	2025 $
Financial Assets			
Trade and other receivables	13	69,617	63,094
Cash and cash equivalents	12	101,373	81,222
Term deposits	14	752,587	716,269
		923,578	**860,585**
Financial Liabilities			
Trade and other payables	20	109,882	32,979
Borrowings	21	47,140	62,853
Lease liabilities	22	274,392	287,005
		431,414	**382,837**

Note 28. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

There has been a remuneration policy developed as executive directors receive quarterly payments for their services. All other positions are held on a voluntary basis and those directors do not receive remuneration.

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(e) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Note 29. Auditor's Remuneration

The appointed auditor of Heywood & District Community Enterprise Ltd for the year ended 30 June 2026 isMcLaren Hunt. Amounts paid or due and payable to the auditor are outlined below.

	2026 $	2025 $
Audit & Review Services		
Audit and review of financial statements	7,220	6,790
Total auditor's remuneration	**7,220**	**6,790**

Note 30. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2026		2025	
	Number	$	Number	$
Fully franked dividend	730,060	29,202	730,060	36,502
Dividends provided for and paid during the year	**730,060**	**29,202**	**730,060**	**36,501**

The tax rate at which dividends have been franked is 25% (2025: 25%).

Note 31. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2026 $	2025 $
Profit attributable to ordinary shareholders	40,878	(13,733)
	Number	Number
Weighted average number of ordinary shares	730,060	730,060
	¢	¢
Basic and diluted earnings per share	5.60	(1.88)

Note 32. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 34. Company Details

The registered office of the Company is:

Heywood & District Community Enterprise Ltd	61 Edgar Street, Heywood VIC 3304

The principal place of business are:

Heywood & District Community Enterprise Ltd	61 Edgar Street, Heywood VIC 3304

Heywood District Community Enterprise Ltd

Consolidated Entity Disclosure Statement

As at 30 June 2026

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001.*

Heywood & District Community Enterprise Limited has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Heywood & District Community Enterprise Ltd

Director's Declaration

For the year ended 30 June 2026

In accordance with a resolution of the directors of Heywood & District Community Enterprise Ltd, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company are 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 performance for the financial year ended on that date; and

  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when
(c) The information disclosed in the attached consolidated entity disclosure statement, on page 42 is true and correct.

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

Phil Saunders
Chair/Director

Dated this 28th day of September, 2026

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HEYWOOD & DISTRICT COMMUNITY ENTERPRISE LTD

Opinion

We have audited the financial report of Heywood & District Community Enterprise Ltd, which comprises the statement of financial position as at 30 June 2026, and the statement of profit and loss and other comprehensive income, the cash flow statement, statement of changes in equity for the year then ended, a summary of material accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of Heywood & District Community Enterprise Ltd is in accordance with the *Corporations Act 2001*, including:

(a) 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 then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 Heywood & District Community Enterprise Ltd in accordance with the ethical requirements of the Accounting Professional and Ethical Standards 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, and we have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist Heywood & District Community Enterprise Ltd. in complying with the requirements of the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing Heywood & District Community Enterprise Ltd's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Heywood & District Community Enterprise Ltd's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Heywood & District Community Enterprise Ltd's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Heywood & District Community Enterprise Ltd to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

McLaren Hunt
MCLAREN HUNT
AUDIT AND ASSURANCE

N.L. MCLEAN
PARTNER

Dated at Warrnambool, 30 September 2026

Community Bank · Heywood & District
61 Edgar Street,
Heywood VIC 3304
Phone: 5527 1080
Email: heywoodmailbox@bendigoadelaide.com.au

Franchisee: Heywood & District Community Enterprise Limited
ABN: 25 137 222 345
61 Edgar Street,
Heywood VIC 3304
Phone: 5527 1080
Email: secretaryhdce@gmail.com

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

/communitybankheywooddistrict/

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Bendigo Bank

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