Annual Report 2026

Indigo Community Development Group Limited

Community Bank
Beechworth & District

ABN 38 146 766 725

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Chairman's report

For year ending 30 June 2026

I take pleasure to present the fifteenth Annual Report for the Indigo Community Development Group Limited "ICDG". ICDG oversees the Community Bank Beechworth & District "the Bank". The Bank is a stable community owned bank operating under a franchisee arrangement from Bendigo Bank. Bendigo Bank run all the financial products and regulation of the Bendigo Bank Community Banks around Australia under their financial services certification and at cost to ICDG. The distinction is ICDG employ the staff and distribute profit to the community, while Bendigo Bank run the bank and regulate all the financial products we offer.

The bank offers all banking services and once again experienced growth in our footprint. We ended the financial year with an after-tax profit for 2025/26 of $63,613. I will make the note here that the profit before community contributions and income tax of $191,826 excludes the community contributions of $106,543. Our profit is a strong result for a community bank which, like the wider broader industry, is affected by changes in the economy, which have included government policy changes, elevated interest rates and increased business overheads. This has affected our balance sheet as several loans have been "paid out" and this has resulted in our reserves being heavy in cash deposits. While interest rates remain high, this is a steady source of profit for the bank but leaves our profit margin vulnerable when rates drop. We are actively chasing opportunities to 'balance the books' with a combination of personal, home and business loans

We have continued our ongoing investment into the tertiary education of our community with the Bendigo Bank Scholarship Program for another four university scholarships. We also funded a TAFE scholarship, which is the first time in 3 years that we have attracted an applicant for this program. Both these scholarships have a two-year funding commitment ie the 2026 and 2027 financial years. These scholarship programs will continue next financial year.

We continued our annual Community Grants/Sponsorships Program again and contributed more than $46,000 to another 19 different projects within the Indigo Shire. Each project run by a different community organisation. In addition, we supported multiple organisations run their own fundraiser with community barbeques. During the 2025/26 financial year we passed the $1,000,000.00 total of contributions to the community through our Scholarships, Grants and Sponsorships. We contributed another $60,000 to the Community Enterprise Foundation during the year. We now have $800,000 in this foundation for future major projects. All Community Enterprise Foundation contributions, grants and sponsorships to the community are only possible by the ongoing support of our shareholders and banking customers. The more people support the Community Bank Branch, the more the bank can support the community.

	Community Enterprise Foundation	Major projects	Scholarship	Grant/Sponsorships
2025/26	$60,000	-	$25,000	$46,543
2024/25	$22,500	$150,000	$24,000	$58,040

The 2025/26 financial year dividends, at a rate of $0.08 cents fully franked for each of the 753,047 shares, totalled $60,244. This is a reward to the 294 shareholders in our community who own shares in the company. Without the investment of the shareholders, a Community Bank could not find the funds to start which we did in 2011. Some shares have changed hands, and I thank all shareholders who remain committed to a bank that serves our community first.

Chairman's report (continued)

I am disappointed to report that, late in the 2025/26 financial year, two of our staff were involved in actions that lead to a customer incurring a significant financial loss. The customer was reimbursed their fund under an insurance claim made by Bendigo Bank so I can report that no customer of our Community Bank remains out of pocket due to their actions. These staff members were subsequently presented with employment termination letters by Bendigo Bank. Under a clause of the Bendigo Bank franchise agreement, ICDG are liable to reimburse Bendigo Bank for the $30,000 insurance policy excess. An expense item of $30,000 has been recorded on page 20 of the financial report to cover this payment. The liability for the reimbursement of the insurance policy was incurred in the 2025/26 financial year; however, this will be approved for payment only when the investigation and reporting has been completed.

I would like to thank our staff for their dedicated work at both at our branch and remotely to ensure our customers receive the best service possible I have come to realise that the hardest thing for the Bank, as for any other business, is to recruit and retain competent staff in the modern mobile workforce. The 2025/26 financial year has had staff turnover at the branch for personal and family reasons which, in addition to random issues of sickness, as well as the issue outlined in the previous paragraph. If we do not have 2 staff present at any time, we are compelled to close the doors to our community. The only measure which prevents short term door closures is increasing staff above the standard level which increases costs and would reduce our return to the Community. I will also note how patient our community have been with these short-term closures.

I would also like to thank my fellow volunteer Directors for the time that they give to ensure our Community Bank Branch is a success. The Branch would not succeed if it were not for all the effort that they put into it after their own employment and family time. I would also like to make the comment that there are more positions on the Board available if anybody reading this would like to join us in this great community enterprise.

Finally, on a different note our financial services and auditing are completed by AFS. AFS also do this for the entire Community Bank network and have provided a report specific to Community Bank Beechworth & District. This compares your Community Bank with the other 144 Community Bank networks across Australia. This report is for the financial year ending 2024/25 but was only released in May 2026. In this report, AFS have noted ICDG, who franchisee Community Bank Beechworth & District:

- distributes 91.4% of underlying profit to community and shareholders, above the regional peer average of 65.1%.
    - This reflects a strong focus on returning value to the community.
- has an underlying profit margin of 40.2%, above the regional peer Community Bank average of 27.0%.
    - We also had a higher profit margin than the average for both metropolitan and rural Community Banks
- distribute 28.7% of revenue to community, above the regional peer average of 14.1%.
    - We distribute more revenue to the community than the average for both metropolitan and rural Community Banks
- cost-to-income ratio of 59.8%, below the regional peer average of 73.0%
    - We have a relatively lower cost base compared to revenue than the average for both metropolitan and rural Community Banks



Ben Merritt
Chair.

Bendigo and Adelaide Bank report

For year ending 30 June 2026

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

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

30 June 2026

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

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

Name:	Benjamin Merritt
Title:	Non-executive director
Experience and expertise:	He has a Forest Science degree from the University of Melbourne and a degree in Adult education and training from the University of Tasmania. He has spent 26 years working for land and vegetation fire management agencies in Victoria and Tasmania and is currently the Community Partnership Support Officer for the Ovens district of Forest Fire Management Victoria. He has played a variety of sports including football and hockey and believe that everybody should make a larger contribution to their community than just paying their rates and taxes. As a result he has been on the committee of the Beechworth and District Hockey club and also the local sports park committee of management, each for more than 6 years since 2010 and also has coached junior sports teams. He has just commenced with the community bank board and is looking forward to remaining in this role for years to come.
Special responsibilities:	Chairperson
Name:	Mark Robert Roach
Title:	Non-executive director
Experience and expertise:	Chartered Actuary. Member of Finance Committee at Beechworth Primary School.
Special responsibilities:	Deputy Chair
Name:	Jennifer Lucas
Title:	Non-executive director
Experience and expertise:	Jenny continues to live in Wooragee with her husband Warren and has done so for the past 34 years. She is a Business Owner/Manager of her family owned business Lucas Mill Pty Ltd and employ 30 staff. She and Warren also run their agricultural business in Wooragee and Leneva where they produce Prime lambs, Wool and Angus vealers each year. Jenny has a past history of nursing and has a very keen interest with local health issues. She has been on the board for six years and currently holds the position of Vice chair for the third year. Jenny has previously held treasurer and president roles in a number of local community groups, but is currently only on the board of our local Community Bank branch. Executive Committee for our Community Bank branch.
Special responsibilities:	Nil
Name:	Darren Carr
Title:	Non-executive director
Experience and expertise:	Darren is involved in various committees in and around Beechworth. He has owned and operated Beechworth Mitre 10 since 2011 and has served on the Board since 2011.
Special responsibilities:	Nil
Name:	Susan Humphris
Title:	Non-executive director
Experience and expertise:	Sue has recently retired from ownership of the Beechworth Lake Sambell Caravan Park after 19 years. She is heavily involved in the Beechworth community with providing volunteer time and is looking forward to travelling and spending more time with her family as part of her retirement.
Special responsibilities:	Company Secretary
Name:	Lynette Clark
Title:	Non-executive director
Experience and expertise:	Lyn has a Diploma of Business Accounting. She is a self employed Bookkeeper/BAS agent.
Special responsibilities:	Nil

Name:	John Patrick Sheehan
Title:	Non-executive director *(appointed 4 March 2026)*
Experience and expertise:	John holds a Bachelor of Business/Accounting.
Special responsibilities:	Treasurer
Name:	Jaclyn Hall *(resigned 2 February 2026)*
Title:	Non-executive director
Experience and expertise:	After some 40 years of HR, marketing and operational experience with Melbourne's leading prestigious real estate companies, Jackie is delighted to be able to add value to the Board.
Special responsibilities:	Member of Grants Committee

Company secretary
The company secretary is Susan Humphris. Susan was appointed to the position of company secretary on 11 October 2010.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $63,613 (2025: $72,246).

Operations have continued to perform in line with expectations.

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

	2026 $	2025 $
Fully franked dividend of 8 cents per share (2025: 9 cents)	60,244	67,774

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

Matters subsequent to the end of the financial year
Subsequent to the end of the financial year, the Company entered into a new franchise agreement with Bendigo and Adelaide Bank Limited. The agreement commenced on 9 September 2026, replacing the previous franchise agreement,and provides the Company with the right to continue its retail branch operations for a further five-year term to 8 September 2031. Under the renewed agreement, the Company is required to pay renewal fees of $79,778, inclusive of GST.

The execution of the renewed franchise agreement resolved the uncertainty existing at 30 June 2026 regarding the continuation of the Company's franchise arrangements and confirms the Company's ability to continue operating under those arrangements for the renewed term.

The Company's lease agreement for its branch premises expired on 31 July 2026. Following expiry of the lease, the Company has continued to occupy the premises on a month-to-month basis while negotiations with the landlord for a new lease are ongoing. As at the date the financial statements were authorised for issue, a new lease agreement had not been executed.

The execution of the renewed franchise agreement represents a non-adjusting event after the reporting period and accordingly no adjustment has been made to amounts recognised as at 30 June 2026. The ongoing lease negotiations have similarly not resulted in the recognition of any additional amounts as at 30 June 2026.

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

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

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

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

	Board	
	Eligible	Attended
Benjamin Merritt	11	10
Mark Robert Roach	11	10
Jennifer Lucas	11	8
Darren Carr	11	9
Susan Humphris	11	10
Lynette Clark	11	9
John Patrick Sheehan	4	3
Jaclyn Hall	7	4

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Benjamin Merritt	5,000	500	5,500
Mark Robert Roach	-	-	-
Jennifer Lucas	10,000	-	10,000
Darren Carr	20,000	-	20,000
Susan Humphris	10,001	-	10,001
Lynette Clark	-	-	-
John Patrick Sheehan	-	-	-
Jaclyn Hall	-	-	-

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 23 to the accounts.

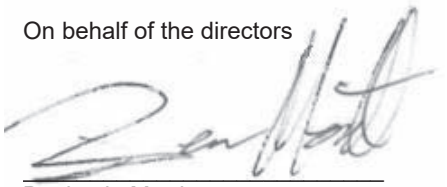
The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

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

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

On behalf of the directors



Benjamin Merritt
Chair

5 November 2026

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Indigo Community Development Group Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 5 November 2026

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Indigo Community Development Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue from contracts with customers	6	781,470	824,357
Other revenue		-	466
Finance revenue		8,821	14,903
Total revenue		790,291	839,726
Employee benefits expense	7	(296,775)	(308,636)
Advertising and marketing costs		(75,082)	(19,554)
Occupancy and associated costs		(16,336)	(17,948)
System costs		(27,606)	(27,279)
Depreciation and amortisation expense	7	(57,078)	(54,963)
Finance costs		(2,072)	(3,778)
General administration expenses		(93,516)	(69,894)
Insurance related expense	7	(30,000)	-
Total expenses before community contributions and income tax expense		(598,465)	(502,052)
Profit before community contributions and income tax expense		191,826	337,674
Charitable donations, sponsorship and grants expense	7	(106,543)	(241,010)
Profit before income tax expense		85,283	96,664
Income tax expense	8	(21,670)	(24,418)
Profit after income tax expense for the year		63,613	72,246
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		63,613	72,246
		Cents	**Cents**
Basic earnings per share	25	8.45	9.59
Diluted earnings per share	25	8.45	9.59

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

Indigo Community Development Group Limited
Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	156,185	456,816
Trade and other receivables	10	72,098	80,350
Investments	11	555,344	291,928
Current tax assets	8	-	8,588
Total current assets		783,627	837,682
Non-current assets			
Property, plant and equipment	12	36,084	52,100
Right-of-use assets	13	2,070	25,166
Intangible assets	14	1,710	15,140
Deferred tax assets	8	21,219	20,645
Total non-current assets		61,083	113,051
Total assets		844,710	950,733
Liabilities			
Current liabilities			
Trade and other payables	15	116,603	193,691
Lease liabilities	16	3,426	39,073
Current tax liabilities	8	8,969	-
Employee benefits		4,639	8,060
Total current liabilities		133,637	240,824
Non-current liabilities			
Lease liabilities	16	-	3,175
Employee benefits		1,167	1,245
Lease make good provision		22,912	21,864
Total non-current liabilities		24,079	26,284
Total liabilities		157,716	267,108
Net assets		686,994	683,625
Equity			
Issued capital	17	734,013	734,013
Accumulated losses		(47,019)	(50,388)
Total equity		686,994	683,625

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

Indigo Community Development Group Limited
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2024		734,013	(54,860)	679,153
Profit after income tax expense		-	72,246	72,246
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	72,246	72,246
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(67,774)	(67,774)
Balance at 30 June 2025		734,013	(50,388)	683,625
Balance at 1 July 2025		734,013	(50,388)	683,625
Profit after income tax expense		-	63,613	63,613
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	63,613	63,613
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(60,244)	(60,244)
Balance at 30 June 2026		734,013	(47,019)	686,994

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

Indigo Community Development Group Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		861,075	916,514
Payments to suppliers and employees (inclusive of GST)		(802,397)	(812,216)
Interest received		13,417	11,928
Income taxes paid		(4,687)	(35,602)
Net cash provided by operating activities	24	67,408	80,624
Cash flows from investing activities			
Payments for investments		(263,416)	(91,928)
Payments for property, plant and equipment		(3,361)	(2,807)
Net cash used in investing activities		(266,777)	(94,735)
Cash flows from financing activities			
Interest and other finance costs paid		(1,024)	(2,779)
Dividends paid	19	(60,244)	(67,774)
Repayment of lease liabilities		(39,994)	(37,045)
Net cash used in financing activities		(101,262)	(107,598)
Net decrease in cash and cash equivalents		(300,631)	(121,709)
Cash and cash equivalents at the beginning of the financial year		456,816	578,525
Cash and cash equivalents at the end of the financial year	9	156,185	456,816

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

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 78 Ford Street, Beechworth VIC 3747.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5 November 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

Accounting standards issued but not yet effective
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

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

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

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

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

Note 3. Material accounting policy information (continued)

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

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

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

The Company has an economic dependency on Bendigo and Adelaide Bank Limited. The Company's ongoing operations are dependent on the continuation of the franchise relationship and the revenue generated under that arrangement.

Subsequent to year end, the Company entered into a new franchise agreement with Bendigo and Adelaide Bank Limited. The agreement commences on 9 September 2026 and provides the Company with the right to continue its retail branch operations for a further five-year term to 8 September 2031.

As the franchise agreement has now been executed, the directors consider that the uncertainty associated with renewal of the franchise agreement has been resolved. The financial statements have therefore been prepared on a going concern basis.

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2026 $	2025 $
Margin income	689,012	732,948
Fee income	28,062	33,287
Commission income	64,396	58,122
	781,470	824,357

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

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

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

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

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

Revenue calculation
The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

Note 7. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	254,134	266,812
Superannuation contributions	33,498	32,368
Expenses related to long service leave	(78)	(2,360)
Other expenses	9,221	11,816
	296,775	308,636

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	17,510	18,241
Plant and equipment	1,869	1,449
	19,379	19,690
Depreciation of right-of-use assets		
Leased land and buildings	24,269	23,199
Amortisation of intangible assets		
Franchise fee	2,238	2,013
Franchise renewal fee	11,192	10,061
	13,430	12,074
	57,078	54,963

Finance costs

	2026 $	2025 $
Lease interest expense	1,024	2,779
Unwinding of make-good provision	1,048	999
	2,072	3,778

Charitable donations, sponsorships and grants expense

	2026 $	2025 $
Direct donation, sponsorship and grant payments	46,543	218,510
Contribution to the Community Enterprise Foundation™ (CEF)	60,000	22,500
	106,543	241,010

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

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

When the company pays a contribution 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.

Insurance related expense

	2026 $	2025 $
Insurance related expense	30,000	-

Note 7. Expenses (continued)

During the year, an employee misconduct matter was identified which resulted in a customer loss. The affected customer was subsequently reimbursed by Bendigo and Adelaide Bank Limited. Under the franchise agreement, the company is liable to reimburse Bendigo and Adelaide Bank Limited for the $30,000 insurance policy excess associated with the matter. Accordingly, an expense of $30,000 has been recognised during the financial year.

Note 8. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	22,244	17,020
Movement in deferred tax	(574)	7,398
Aggregate income tax expense	21,670	24,418
Prima facie income tax reconciliation		
Profit before income tax expense	85,283	96,664
Tax at the statutory tax rate of 25%	21,321	24,166
Tax effect of:		
Non-deductible expenses	349	252
Income tax expense	21,670	24,418

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	12,234	8,973
Employee benefits	1,452	2,326
Provision for lease make good	5,728	5,466
Accrued expenses	1,808	1,100
Income accruals	(341)	(1,490)
Lease liabilities	857	10,562
Right-of-use assets	(519)	(6,292)
Deferred tax asset	21,219	20,645

	2026 $	2025 $
Income tax refund due	-	8,588

	2026 $	2025 $
Provision for income tax	8,969	-

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

Note 8. Income tax (continued)

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

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

Note 9. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	156,185	456,816

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	63,651	65,109
Accrued income	1,365	5,961
Prepayments	7,082	9,280
	8,447	15,241
	72,098	80,350

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other payables	72,098	80,350
Less prepayments, included in trade and other payables	(7,082)	(9,280)
	65,016	71,070

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

Note 11. Investments

	2026 $	2025 $
Current assets		
Term deposits	217,056	209,514
Managed Funds	338,288	82,414
	555,344	291,928

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	219,492	219,492
Less: Accumulated depreciation	(194,613)	(177,103)
	24,879	42,389
Plant and equipment - at cost	50,928	47,566
Less: Accumulated depreciation	(39,723)	(37,855)
	11,205	9,711
	36,084	52,100

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2024	60,630	8,353	68,983
Additions	-	2,807	2,807
Depreciation	(18,241)	(1,449)	(19,690)
Balance at 30 June 2025	42,389	9,711	52,100
Additions	-	3,363	3,363
Depreciation	(17,510)	(1,869)	(19,379)
Balance at 30 June 2026	24,879	11,205	36,084

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

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

Leasehold improvements	4 to 20 years
Plant and equipment	1 to 40 years

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

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

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

Note 13. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	171,661	170,489
Less: Accumulated depreciation	(169,591)	(145,323)
	2,070	25,166

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

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

	Land and buildings $
Balance at 1 July 2024	48,432
Remeasurement adjustments	(67)
Depreciation expense	(23,199)
Balance at 30 June 2025	25,166
Remeasurement adjustments	1,173
Depreciation expense	(24,269)
Balance at 30 June 2026	2,070

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 $	2025 $
Franchise fee	32,007	32,007
Less: Accumulated amortisation	(31,722)	(29,484)
	285	2,523
Franchise renewal fee	110,036	110,036
Less: Accumulated amortisation	(108,611)	(97,419)
	1,425	12,617
	1,710	15,140

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2024	4,536	22,678	27,214
Amortisation expense	(2,013)	(10,061)	(12,074)
Balance at 30 June 2025	2,523	12,617	15,140
Amortisation expense	(2,238)	(11,192)	(13,430)
Balance at 30 June 2026	285	1,425	1,710

Note 14. Intangible assets (continued)

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	September 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	September 2026

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

Note 15. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	68,872	168,943
Other payables and accruals	47,731	24,748
	116,603	193,691

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	116,603	193,691
Less statutory payables, included in trade and other payables	(1,564)	(4,418)
	115,039	189,273

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	3,426	39,073
Non-current liabilities		
Land and buildings lease liabilities	-	3,175
	3,426	42,248

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	42,248	79,360
Remeasurement adjustments	1,172	(67)
Lease interest expense	1,024	2,779
Lease payments - total cash outflow	(41,018)	(39,824)
	3,426	42,248

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Beechworth Branch	4.79 %	5 years	N/A	N/A	July 2026

Note 17. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	753,047	753,047	754,793	754,793
Less: Equity raising costs	-	-	(20,780)	(20,780)
	753,047	753,047	734,013	734,013

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

Rights attached to issued capital

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

Note 17. Issued capital (continued)

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 280. As at the date of this report, the company had 294 shareholders (2025: 297 shareholders).

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

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

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

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

Note 18. Capital management

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

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

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

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

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

Note 19. Dividends

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

	2026 $	2025 $
Fully franked dividend of 8 cents per share (2025: 9 cents)	60,244	67,774

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	131,192	118,181
Franking credits (debits) arising from income taxes paid (refunded)	4,687	35,602
Franking debits from the payment of franked distributions	(20,081)	(22,591)
	115,798	131,192
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	115,798	131,192
Franking credits (debits) that will arise from payment (refund) of income tax	8,969	(8,588)
Franking credits available for future reporting periods	124,767	122,604

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

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

Note 20. Financial risk management

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

Note 20. Financial risk management (continued)

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

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

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

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

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	156,185	456,816
Trade and other receivables excluding prepayments (note 10)	65,016	71,070
Term deposits (note 11)	217,056	209,514
	438,257	737,400
Financial assets at fair value through profit or loss		
Managed funds (note 11)	338,288	82,414
Financial liabilities		
Trade and other payables (note 15)	115,039	189,273
Lease liabilities (note 16)	3,426	42,248
	118,465	231,521

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets into the following categories:

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

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

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

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

Note 20. Financial risk management (continued)

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest. The company held cash and cash equivalents of $156,185 and investments of $555,344 at 30 June 2026 (2025: $456,816 and $291,928).

Price risk
The company is exposed to price risk through its investment in managed funds, which is measured at fair value through profit or loss. Changes in the market value of the managed funds are recognised in profit or loss. The Company monitors the performance and composition of the investment as part of its management of this exposure.

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

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

2026	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	115,039	-	-	115,039
Lease liabilities	3,426	-	-	3,426
Total non-derivatives	118,465	-	-	118,465

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	189,273	-	-	189,273
Lease liabilities	39,920	3,327	-	43,247
Total non-derivatives	229,193	3,327	-	232,520

Note 21. Key management personnel disclosures

The following persons were directors of Indigo Community Development Group Limited during the financial year and/or up to the date of signing of these financial statements.

Benjamin Merritt
Jennifer Lucas
Darren Carr
Jaclyn Hall
Susan Humphris
Lynette Clark
Mark Robert Roach
John Patrick Sheehan

Compensation
Key management personnel compensation comprised the following.

	2026 $	2025 $
Short-term employee benefits	9,100	7,200

Compensation of the company's key management personnel includes Susan Humphris' remuneration for secretarial and administrative duties.

Note 22. Related party transactions

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

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2026 $	2025 $
The company used the bookkeeping services of one of its directors.	9,350	10,300

Note 23. Remuneration of auditors

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

	2026 $	2025 $
Audit services		
Audit or review of the financial statements	10,735	8,480
Other services		
Taxation advice and tax compliance services	290	265
General advisory services	4,690	4,520
Share registry services	7,970	7,042
	12,950	11,827
	23,685	20,307

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

	2026 $	2025 $
Profit after income tax expense for the year	63,613	72,246
Adjustments for:		
Depreciation and amortisation	57,079	54,963
Lease liabilities interest	1,025	2,779
Change in operating assets and liabilities:		
Decrease in trade and other receivables	8,247	3,014
Decrease/(increase) in income tax refund due	8,588	(18,582)
Decrease/(increase) in deferred tax assets	(574)	7,398
Decrease in trade and other payables	(77,088)	(14,514)
Increase in provision for income tax	8,969	-
Decrease in employee benefits	(3,499)	(27,679)
Increase in other provisions	1,048	999
Net cash provided by operating activities	67,408	80,624

Note 25. Earnings per share

	2026 $	2025 $
Profit after income tax	63,613	72,246
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	753,047	753,047
Weighted average number of ordinary shares used in calculating diluted earnings per share	753,047	753,047

Note 25. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	8.45	9.59
Diluted earnings per share	8.45	9.59

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Indigo Community Development Group Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

Subsequent to the end of the financial year, the Company entered into a new franchise agreement with Bendigo and Adelaide Bank Limited. The agreement commenced on 9 September 2026, replacing the previous franchise agreement,and provides the Company with the right to continue its retail branch operations for a further five-year term to 8 September 2031. Under the renewed agreement, the Company is required to pay renewal fees of $79,778, inclusive of GST.

The execution of the renewed franchise agreement resolved the uncertainty existing at 30 June 2026 regarding the continuation of the Company’s franchise arrangements and confirms the Company’s ability to continue operating under those arrangements for the renewed term.

The Company’s lease agreement for its branch premises expired on 31 July 2026. Following expiry of the lease, the Company has continued to occupy the premises on a month-to-month basis while negotiations with the landlord for a new lease are ongoing. As at the date the financial statements were authorised for issue, a new lease agreement had not been executed.

The execution of the renewed franchise agreement represents a non-adjusting event after the reporting period and accordingly no adjustment has been made to amounts recognised as at 30 June 2026. The ongoing lease negotiations have similarly not resulted in the recognition of any additional amounts as at 30 June 2026.

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

Directors' declaration

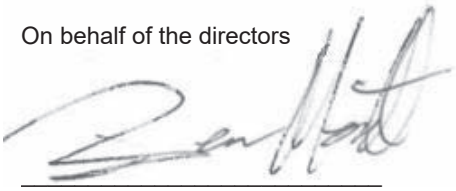
30 June 2026

In the directors' opinion:

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

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

On behalf of the directors



Benjamin Merritt
Chair

5 November 2026

Independent audit report

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

Independent auditor's report to the members of Indigo Community Development Group Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Indigo Community Development Group Limited (the Company), is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Indigo Community Development Group Limited, which comprises:

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

Basis for opinion

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 5 November 2026

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

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/communitybankbeechworthanddistrict

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26122) (11/26)