

Annual Report 2026

Katoomba and Upper Blue
Mountains Community
Enterprise Limited

Community Bank
Katoomba & Upper Blue Mountains

ABN 55 134 947 201

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Chairman's report

For year ending 30 June 2026

I am very pleased to present my report for the year ended 30 June 2026.

It has been another successful year for Community Bank Katoomba-Upper Blue Mountains with a 15% increase in profit, continuing growth in our customer base and, most importantly, active engagement with our community through our extensive sponsorship program. At the time of writing, the grand total of the financial support we have been able to provide to a large and varied range of local organisations since we opened for business in late 2010 is now more than \$1.275 million. The listing of sponsorship grants made during 2025-6 which appears later in this report highlights the many different community groups which we have been proud to support.

We are very grateful for the confidence in Community Bank Katoomba-Upper Blue Mountains shown by all our customers, as it is their business which enables us to generate the profits to finance our sponsorship program. Not only does Community Bank Katoomba-Upper Blue Mountains offer the full range of banking services and products, but we also pride ourselves on the personal, professional and friendly service provided by our dedicated staff. While many customers make use of electronic banking, those who choose to do their banking face to face are assured of a warm welcome in the Branch.

We are most appreciative for the ongoing support of our shareholders, many of whom have been with Community Bank Katoomba-Upper Blue Mountains since the beginning. As well as the satisfaction of knowing that their investment has enabled Community Bank Katoomba-Upper Blue Mountains to establish a successful and growing business which in turn enables us to invest in our community, for several years they have received substantial fully franked dividends.

I must also thank our Directors for their commitment and dedication, and for their support for me as Chairman. We are fortunate to have a diverse group of volunteers who share the vision of using the profits of a successful banking enterprise to assist the many not-for-profit organisations who make our community a better place to live, work and enjoy the benefits of our unique environment.

Finally, on behalf of the Board, I must express our heartfelt appreciation to our staff. Under the leadership of Billy Brglevski and, more recently, of Doug Durant for their invaluable role in the success of our company. They are at the front-line day in day out, attending to the varied needs of our customers, while also keeping abreast of the increasingly complex regulatory environment in which we operate.

Brooke Broughton
Chairman

Manager's report

For year ending 30 June 2026

It is with great pride that I present my first annual report as your Branch Manager. Having joined the branch on the 28th of April 2026, I have been overwhelmed by the dedication of our team and the warm welcome from the community we serve. The Community Bank model is truly unique, and it is a privilege to play a part in distributing our operating profits back to the local charities, sporting groups, and schools that make the Blue Mountains such a wonderful place to live.

This year, our local impact was stronger than ever. I am absolutely thrilled to share that we have successfully injected a total of \$151,460 back into our local community through targeted sponsorships, grants, and community projects. This funding directly supports the local organisations and volunteer groups that keep our towns vibrant and resilient. Every customer who chooses to bank with Community Bank Katoomba-Upper Blue Mountains plays a direct role in this contribution—it is a powerful reminder that when you bank with Community Bank Katoomba-Upper Blue Mountains, good things happen in our community.

The 2026 financial year has been one of significant transition and outstanding achievement. Our financial results are a testament to the trust our community places in us, and they underscore our commitment to providing full-service banking options for everyone.

This year has been defined by remarkable growth in our deposit portfolio, a clear sign of our community's confidence. We saw our total branch footings grow to an impressive \$223.7 million, anchored by an extraordinary \$13.48 million in new deposit growth for the financial year - 395% of our target. This incredible result was driven by customers choosing to invest locally, particularly through Term Deposits. This financial strength allows us to reinvest even more significantly in local opportunities.

While the lending environment has presented challenges, our renewed focus on helping locals achieve their homeownership and business goals is already yielding positive results. A strategic shift in the latter half of the year culminated in \$923,000 in new lending settlements in October alone, setting a strong foundation for future growth.

I am also pleased to report that Community Bank Katoomba-Upper Blue Mountains continues to operate with exceptional professionalism and care. Our Community Bank team has achieved a "First-Time Capability" rate of 93.24% for new account openings, meaning we get it right the first time, and maintained a flawless record with zero operational risk events. This commitment to excellence ensures a secure and seamless banking experience for our customers.

Of course, our success is driven entirely by our people. This year, we farewelled our wonderful and long-standing team member of 12 years, Adele, who retired. Her dedication and the care she has shown our customers and community are second to none. We thank her for her incredible contribution and wish her all the happiness in her retirement.

The year also brought new energy and faces to our team. In August, we welcomed Paris as our new full-time CSO. She has quickly become an invaluable team member, already achieving her Tier 2 FSRA accreditation to support our customer advisory services. We are also thrilled to welcome our new Business Development Manager, Rebecca, who starts on the 9th of November and will be instrumental in driving our business and home lending pipelines.

We are supported by an amazing Board of Directors who volunteer their time and expertise to ensure we remain successful and continue to support the community. All our Board members are local, genuine, and determined to make a difference.

Thank you to our shareholders, Bendigo Bank, and most importantly, you, our customers, for choosing to bank with us and contributing directly to the \$151,460 injected back into the Upper Blue Mountains this year.

Health and Happiness,

Douglass Durant
Branch Manager

2025-26 Sponsorships



During the year ended 30 June 2026 financial support, totalling \$151,460 was provided to the following organisations and community projects.

Combined Rotary Clubs of the Blue Mountains for the Blue Mountains Police Officer of the Year Awards	Probus Club of Upper Blue Mountains for audio equipment
Mt Victoria Business Association for the BAZfest – Red Curtain Trilogy Weekend	Zonta Club of the Blue Mountains Area for their Breast Cancer Cushion 2026/7 project
Wentworth Falls Public School P&C Association for their 2025 Artfest	Eleanor Dark Foundation (Varuna - The Writers House) to assist with completion of their multi-purpose building
Australian Canyoning Association for their Canyon Care project	Mountain Devils Rugby League Club for jerseys and uniforms
Oberon Chamber Music Festival for their 2025 festival	Blue Mountains Rhododendron Society for their Easter Gnome Convention
Katoomba Regenerative Action Group for their KRAG Gallery and Creative Space	Blue Mountains District Darts Association for their NSW Champion and Disability events 2026
Medlow Bath Residents Association for Medlow Bath Music in the Park 2025	Hazelbrook Hawks Football Club for inclusive coaching for Blue Kangaroos
Society of Mountain Artists for their Annual Spring Exhibition	Rotary Club of Greater Blue Mountains for Planetary Health Wellness Weekend
Leura Katoomba Probus Club to assist with the costs of excursions for elderly members	Leura Golf Club for ongoing sponsorship
Blue Mountains Toastmasters Club for venue hire and Toastmasters Scholarships	BentArt for their 2026 exhibition
Blue Mountains Photography Group for their hearing accessibility project	Heathens Choir for their Art in Harmony – Harmoni Chamber Choir concert
Blue Mountains Health Trust for a medicine/medical related scholarship	Megalong Valley Community and Landowners Association for their 2026 Megalong Valley Makers Market
Korowal Independent School for The Rite Journey Educational Program Stage 2	Mountain of Youth for their Tell Me a Story, Grandma project
Blue Mountains Public Broadcasting Society (Radio Blue Mountains)	Megalong Valley Pony Club for the extension of their horse yards
Leura Golf Club for prizes for charity golf day	Leura Public School P&C for their Under the Stars movie night
Eleanor Dark Foundation (Varuna - The Writers House) for free events at the Blue Mountains Writers Festival	Blue Mountains Quilters Group for their 2026 Quilters Show
Rotary International District 9685 for Rotary Youth Leadership Awards	Katoomba Winter Magic Festival for a community engagement marquee
Central Blue Mountains Christmas Lunch	Blue Mountains Health Trust for medicine/medical related scholarships
Blue Mountains District Darts Association for the NSW State Event	Leura Gardens Festival Inc for their 2026 Festival
Blue Mountains Dog Training Club for their Annual Club Trial	Resilient Blue Mountains Services for their Genesis Anthology 2026
Blue Mountains Renewable Energy Co-operative for various initiatives	Blue Mountains Tibetan Community for their Festival of Tibet
Friends of the Mechanics Institute for their documentary film project	Blackheath Football Club for their WS Wanderers event
Wentworth Falls Football Club for sponsored training shirts	Blackheath Public School for their biennial Billycart Derby
Blackheath Rhododendron Festival for their 2025 Festival	Blue Mountains Food Co-operative for the 2026 Blue Mountains Edible Garden Trail
Central Blue Mountains Rotary for Carols by the Lake	Hazelbrook Public School P&C for the 2026 Mid-Mountains Garden Festival
Blackheath Kookaburra Kindergarten for their playground development Stage 2	Junction 142 towards a replacement stove
Rotary Club of Upper Blue Mountains Sunrise for their Kitchen Garden for Katoomba Public School project	Katoomba Chamber of Commerce & Community for Town Seasonal Decorations – Winter Lights
Blue Mountains Basketball Association for their club coaching course	Resilient Blue Mountains Services their 2026 Blue Mountains Sustainability Festival
Katoomba Pickleball Club for new equipment	Academy Singers for their 2026 Concert Series
Leura Garden Club for improvements to St Albans gardens	Wallerawang Football Club for soccer balls for players
	Blue Mountains Artfest for their 2026 Artfest
	Blue Mountains Chamber Music Festival for their 2026 Festival
	Leura Cricket Club for ongoing sponsorship

Bendigo and Adelaide Bank report

For year ending 30 June 2026

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

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council

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.



COMMUNITY BANK
NATIONAL COUNCIL

Directors' report

For the financial year ended 30 June 2026

The Directors present their report, together with the financial statements, on Katoomba and Upper Blue Mountains Community Enterprise Limited for the financial year ended 30 June 2026.

Board of Directors

The following persons were Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Charles Brooke Broughton

Title:	Chairman
Qualifications:	LL.B (Auckland)
Experience & Expertise:	Retired professional association executive. Past president of the Leura Gardens Festival.

Mark John Jarvis

Title:	Treasurer
Qualifications:	B. Commerce (UNSW)
Experience & Expertise:	Manager of the Carrington Hotel. Past President - Katoomba Chamber of Commerce.

Peter Newton Carroll

Title:	Non-Executive Director. Chair of Sponsorship Committee.
Qualifications:	B. Rural Science, Master of Rural Science (UNE)
Experience & Expertise:	Retired international banker. Former Vice President of Katoomba Chamber of Commerce.

Jennifer Joy Ross OAM

Title:	Company Secretary.
Qualifications:	Dip.Teaching (Mitchell College).
Experience & Expertise:	Teacher (18 years); Convenor - Friends of Blackheath Pool; Centrelink manager (retired).

Jennifer Anne Scott AM

Title:	Non-Executive Director
Qualifications:	BA BLegs (Macq); LLM (Macq); MDR (WSU)
Experience & Expertise:	Lawyer (40 yrs); Mediator, Arbitrator, Conflict Coach. Panel member - Small Business Commission & Resolution Institute Domain.

Directors' report (continued)

Board of Directors (continued)

Michael Santo Brischetto

Title: Non-Executive Director.
Qualifications: LREA: Liquor Licensee - Balpar Pty Ltd
Experience & Expertise: Property industry (27 years); Co-owner Carrington Hotel, Katoomba.

Richard Wayne Terry

Title: Non-Executive Director.
Qualifications: B. Architecture (UTS)
Experience & Expertise: Architecture - Interiors, Hotel, Corporate and Urban Planning (32 years); Retirement and Seniors Living Architecture (18 years); Six years as a Director.

Dr Lara Moroko

Title: Non-Executive Director.
Qualifications: B.Bus (Hons, UTS), M.Com, PhD (UNSW).
Experience & Expertise: CEO, Financial service executive (15 years); Business mentor and strategist (25 years).

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Charles Brooke Broughton	12	12
Mark John Jarvis	12	11
Peter Newton Carroll	12	11
Jennifer Joy Ross OAM	12	10*
Jennifer Anne Scott AM	12	8
Michael Santo Brischetto	12	9
Richard Wayne Terry	12	10
Dr Lara Moroko	12	7

A - The number of meetings eligible to attend.

B - The number of meetings attended.

* Leave of absence: May - June 2026

Company Secretary

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

Jennifer Joy Ross OAM

Qualifications: Dip.Teaching (Mitchell College).
Experience & Expertise: Teacher (18 years); Convenor - Friends of Blackheath Pool; Centrelink manager (retired).

Directors' report (continued)

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 of the Company for the financial year after provision for income tax was:

	30 June 2026 (\$)	30 June 2025 (\$)	Movement
Profit After Tax	498,834	433,552	15%

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 shares	
	Balance at 1 July 2025	Balance at 30 June 2026
Charles Brooke Broughton	3,501	3,501
Mark John Jarvis	101,703	101,702
Peter Newton Carroll	10,001	10,001
Jennifer Joy Ross OAM	501	501
Jennifer Anne Scott AM	10,001	10,001
Michael Santo Brischetto	4,001	4,001
Richard Wayne Terry	-	2,001
Dr Lara Moroko	-	2,501

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	13	143,001
Total Amount	13	143,001

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.

Directors' report (continued)

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*.

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 on page 11 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Katoomba, NSW.



Charles Brooke Broughton
Chair

Dated this 24th day of September, 2026

Auditor's independence declaration



Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Katoomba and Upper Blue Mountains Community Enterprise Limited. As the lead auditor for the audit of the financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature of 'RSD Audit' in black ink.

RSD Audit

A handwritten signature of 'Tyson Holt' in black ink.

Tyson Holt

28 September 2026

Financial statements

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	1,367,784	1,386,021
Finance income	8	55,864	52,208
		1,423,648	1,438,229
Expenses			
Employee benefits expense	9	(421,413)	(468,959)
Depreciation and amortisation	9	(41,534)	(29,449)
Agents commission		(5,546)	(35,415)
IT expenses		(37,029)	(29,696)
Insurance		(12,612)	(13,958)
Freight, cartage and delivery		(7,073)	(10,980)
Professional fees - payroll, accounting, audit and share registry		(16,165)	(15,549)
Printing and stationery		(6,511)	(6,827)
Repairs and maintenance - buildings, furniture and fittings		(3,476)	(3,540)
Cash delivery		(4,294)	(5,752)
ATM expenses		(4,261)	(5,422)
Staff training		(5,500)	(7,055)
Other expenses		(41,662)	(38,632)
		(607,076)	(671,234)
Operating profit before charitable donations and sponsorship		816,572	766,995
Charitable donations and sponsorship	9	(151,460)	(188,925)
Profit before income tax		665,112	578,070
Income tax expense	10	(166,278)	(144,518)
Profit for the year after income tax		498,834	433,552
Total comprehensive income for the year		498,834	433,552
Profit attributable to the ordinary shareholders of the company		498,834	433,552
Total comprehensive income attributable to ordinary shareholders of the company		498,834	433,552
Earnings per share		¢	¢
- basic and diluted earnings per share	27	45.35	39.41

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	11	33,583	159,728
Trade and other receivables	12	141,273	125,250
Financial assets	13	1,700,000	1,270,843
Current tax asset	17	-	8,505
Other assets	14	6,255	5,256
Total current assets		1,881,111	1,569,582
Non-current assets			
Property, plant and equipment	15	909,610	821,097
Intangible assets	16	48,816	63,104
Deferred tax assets	17	3,762	3,158
Total non-current assets		962,188	887,359
Total assets		2,843,299	2,456,941
Liabilities			
Current liabilities			
Trade and other payables	18	48,020	68,263
Current tax liability	17	56,518	-
Employee benefits	19	34,115	39,865
Total current liabilities		138,653	108,128
Total liabilities		138,653	108,128
Net assets		2,704,646	2,348,813
Equity			
Issued capital	20	1,090,278	1,090,278
Retained earnings	21	1,614,368	1,258,535
Total equity		2,704,646	2,348,813

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		1,090,278	967,985	2,058,263
<i>Comprehensive income for the year</i>				
Profit for the year		-	433,552	433,552
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid	26	-	(143,002)	(143,002)
Balance at 30 June 2025		1,090,278	1,258,535	2,348,813
Balance at 1 July 2025		1,090,278	1,258,535	2,348,813
<i>Comprehensive income for the year</i>				
Profit for the year		-	498,834	498,834
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid	26	-	(143,001)	(143,001)
Balance at 30 June 2026		1,090,278	1,614,368	2,704,646

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		1,343,598	1,410,194
Payments to suppliers and employees		(743,994)	(807,280)
Interest received		64,027	44,032
Income tax paid		(101,859)	(166,255)
Net cash flows provided by operating activities	22b	561,772	480,691
Cash flows from investing activities			
Purchase of investments		(429,157)	(344,031)
Purchase of property, plant and equipment		(115,759)	-
Purchase of intangible assets		-	(71,438)
Net cash flows used in investing activities		(544,916)	(415,469)
Cash flows from financing activities			
Dividends paid		(143,001)	(143,002)
Net cash flows used in financing activities		(143,001)	(143,002)
Net decrease in cash held		(126,145)	(77,780)
Cash and cash equivalents at beginning of financial year		159,728	237,508
Cash and cash equivalents at end of financial year	22a	33,583	159,728

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 Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company) as an individual entity. Katoomba and Upper Blue Mountains Community Enterprise Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 24th 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 24.

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, where 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 Significant 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 in Katoomba.

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.

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

- 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).

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:

$$\begin{array}{l} \text{Interest paid by customers on loans, less interest paid to customers on deposits} \\ \text{plus} \\ \text{Deposit returns (i.e. interest return applied by BABL on deposits)} \\ \text{minus} \\ \text{Any costs of funds (i.e. interest applied by BABL to fund a loan)} \end{array}$$

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Core Banking Products

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

Ability to Change Financial Return

Under the franchise agreement, Bendigo 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.

(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).

(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.

(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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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 at bank.

(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
Buildings	Straight line	40 years
Improvements	Straight line	10 years

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(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
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.

(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

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.

Note 3. Summary of Significant Accounting Policies (continued)

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Financial liabilities (including trade payables) are classified as measured at amortised cost.

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.

(j) 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.

(k) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2026 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

(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:

Notes to the financial statements (continued)

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

Note	Assumption
Note 17 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 19 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through 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.

(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

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 \$33,583 at 30 June 2026 (2025: \$159,728). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated A- on Standard & Poor's credit ratings.

Notes to the financial statements (continued)

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 (after adding back Community Contributions and Accumulated Profits); 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	1,367,784	1,386,021
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	1,244,588	1,256,566
- Fee income	43,689	75,754
- Commission income	79,507	53,701
	1,367,784	1,386,021

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. Finance Income

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

	2026 \$	2025 \$
Finance Income		
- Interest from term deposits	55,864	52,208
	55,864	52,208

Notes to the financial statements (continued)

Note 9. Expenses

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

(a) Employee Benefits Expense

	2026 \$	2025 \$
<i>Employee Benefits Expense</i>		
- Wages & salaries	372,679	414,957
- Superannuation costs	52,548	55,607
- Other expenses related to employees	(3,814)	(1,605)
	421,413	468,959

(b) Depreciation & Amortisation Expense

	2026 \$	2025 \$
<i>Depreciation of Non-current Assets</i>		
- buildings	15,670	15,670
- improvements	11,576	-
	27,246	15,670
<i>Amortisation of Intangible Assets</i>		
- franchise fees	14,288	13,779
	14,288	13,779
Total depreciation & amortisation expense	41,534	29,449

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) 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).

	2026 \$	2025 \$
<i>Community Investments & Sponsorship</i>		
- Direct sponsorship and grant payments	151,460	188,925
	151,460	188,925

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.

(d) 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.

Notes to the financial statements (continued)

Note 9. Expenses (continued)

	2026 \$	2025 \$
<i>Disaggregation of CEF Funds</i>		
Opening balance	138,292	131,870
Interest received	6,065	6,422
Balance available for distribution	144,357	138,292

Note 10. 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	166,882	141,495
Deferred tax expense	(604)	3,023
	166,278	144,518

(b) Prima Facie Tax Payable

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

	2026 \$	2025 \$
Prima facie tax on profit before income tax at 25% (2025: 25%)	166,278	144,518
Income tax attributable to the entity	166,278	144,518
The applicable weighted average effective tax rate is:	25.00%	25.00%

Note 11. Cash & Cash Equivalents

	2026 \$	2025 \$
Cash at bank and on hand	33,583	159,728
	33,583	159,728

Cash and cash equivalents include cash at bank.

Note 12. Trade & Other Receivables

	2026 \$	2025 \$
Current		
Trade receivable	122,203	98,017
Other receivable - accrued interest	19,070	27,233
	141,273	125,250

Notes to the financial statements (continued)

Note 12. Trade & Other Receivables (continued)

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 13. Financial Assets

	2026 \$	2025 \$
Term deposits	1,700,000	1,270,843
	1,700,000	1,270,843

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 14. Other Assets

	2026 \$	2025 \$
Prepayments	6,255	5,256
	6,255	5,256

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 15. Property, Plant & Equipment

(a) Carrying Amounts

	2026 \$			2025 \$		
	At Cost	Accumulated Depreciation	Written Down Value	At Cost	Accumulated Depreciation	Written Down Value
Land	304,000	-	304,000	304,000	-	304,000
Improvements	115,759	11,576	104,183	-	-	-
Buildings	626,785	125,358	501,427	626,785	109,688	517,097
Total	1,046,544	136,934	909,610	930,785	109,688	821,097

(b) Movements in Carrying Amounts

	2026 \$	2025 \$
Land		
Opening carrying value	304,000	304,000
Closing carrying value	304,000	304,000

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment (continued)

	2026 \$	2025 \$
Improvements		
Opening carrying value	-	-
Additions	115,759	-
Depreciation expense	(11,576)	-
Closing carrying value	104,183	-

	2026 \$	2025 \$
Buildings		
Opening carrying value	517,097	532,767
Depreciation expense	(15,670)	(15,670)
Closing carrying value	501,427	517,097

Total property, plant and equipment	909,610	821,097
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(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2026 (2025: \$130,000).

(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 16. Intangible Assets

(a) Carrying Amounts

	2026			2025		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fee	71,438	22,622	48,816	71,438	8,334	63,104
	71,438	22,622	48,816	71,438	8,334	63,104

(b) Movements in Carrying Amounts

	2026 \$	2025 \$
Franchise Fee		
Opening carrying value	63,104	5,445
Additions	-	71,438
Amortisation expense	(14,288)	(13,779)
Closing carrying value	48,816	63,104

Notes to the financial statements (continued)

Note 17. Tax Assets & Liabilities

(a) Current Tax

	2026 \$	2025 \$
Income tax payable / (refundable)	56,518	(8,505)

(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 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	9,966	(1,437)	8,529
Total deferred tax assets	9,966	(1,437)	8,529
<i>Deferred Tax Liabilities</i>			
- Accrued income	(6,808)	2,041	(4,767)
Total deferred tax liabilities	(6,808)	2,041	(4,767)
Net deferred tax assets	3,158	604	3,762

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 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	10,945	(979)	9,966
Total deferred tax assets	10,945	(979)	9,966
<i>Deferred Tax Liabilities</i>			
- Accrued income	(4,764)	(2,044)	(6,808)
Total deferred tax liabilities	(4,764)	(2,044)	(6,808)
Net deferred tax assets	6,181	(3,023)	3,158

Note 18. Trade & Other Payables

	2026 \$	2025 \$
Current		
Trade creditors	542	28,657
Other creditors and accruals	47,478	39,606
	48,020	68,263

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.

Notes to the financial statements (continued)

Note 19. Employee Benefits

	2026 \$	2025 \$
Current		
Provision for annual leave	14,514	17,071
Provision for long service leave	19,601	22,794
	34,115	39,865

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 20. Issued Capital

(a) Issued Capital

	2026		2025	
	Number	\$	Number	\$
Ordinary shares - fully paid	1,100,010	1,100,010	1,100,010	1,100,010
Less: equity raising costs	-	(9,732)	-	(9,732)
	1,100,010	1,090,278	1,100,010	1,090,278

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 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	1,100,010	1,100,010
At the end of the reporting period	1,100,010	1,100,010

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 21. Retained Earnings

	Note	2026 \$	2025 \$
Balance at the beginning of the reporting period		1,258,535	967,985
Profit for the year after income tax		498,834	433,552
Dividends paid	26	(143,001)	(143,002)
Balance at the end of the reporting period		1,614,368	1,258,535

Notes to the financial statements (continued)

Note 22. 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	11	33,583	159,728
As per the Statement of Cash Flows		33,583	159,728

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

	2026 \$	2025 \$
Profit for the year after income tax	498,834	433,552
<i>Non-cash flows in profit</i>		
- Depreciation	27,246	15,670
- Amortisation	14,288	13,779
<i>Changes in assets and liabilities</i>		
- (Increase) / Decrease in trade and other receivables	(16,023)	15,996
- (Increase) / Decrease in prepayments and other assets	(999)	260
- (Increase) / Decrease in deferred tax asset	(604)	3,023
- (Decrease) / Increase in trade and other payables	(20,243)	27,086
- (Decrease) / Increase in current tax liability	65,023	(24,760)
- Decrease in provisions	(5,750)	(3,915)
Net cash flows from operating activities	561,772	480,691

Note 23. 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			
Cash and cash equivalents	11	33,583	159,728
Trade and other receivables	12	141,273	125,250
Term deposits	13	1,700,000	1,270,843
		1,874,856	1,555,821
Financial Liabilities			
Trade and other payables	18	48,020	68,263
		48,020	68,263

Note 24. 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.

Notes to the financial statements (continued)

Note 24. Related Parties (continued)

(b) Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

	2026 \$	2025 \$
Short-term employee benefits	109,307	122,885
Post-employment benefits	11,538	14,132
Other long-term benefits	-	3,333
Total key management personnel compensation	120,845	140,350

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.

(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) Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Balpar Pty Limited - Mark Jarvis & Michael Brischetto	Hotel Services	6,035

(e) 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.

(f) Other Key Management Transactions

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

Note 25. Auditor's Remuneration

The appointed auditor of Katoomba and Upper Blue Mountains Community Enterprise Limited for the year ended 30 June 2026 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2026 \$	2025 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	6,950	6,600
	6,950	6,600

Notes to the financial statements (continued)

Note 26. 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	1,100,010	143,001	1,100,010	143,002
Dividends provided for and paid during the year	1,100,010	143,001	1,100,010	143,002

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

Note 27. 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	498,834	433,552

	Number	Number
Weighted average number of ordinary shares	1,100,010	1,100,010

	¢	¢
Basic and diluted earnings per share	45.35	39.41

Note 28. 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 29. Commitments & Contingencies

Details about any capital commitments are detailed in Note 15(c).

The Company has no other commitments requiring disclosure.

The company has received a claim from Bendigo and Adelaide Limited for \$157,000. The directors deny any liability and are currently liaising with our insurers to bring the matter to a satisfactory conclusion.

Note 30. Company Details

The registered office of the Company is: 117 Katoomba Street KATOOMBA NSW 2780.

The principal place of business is: 117 Katoomba Street KATOOMBA NSW 2780.

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*.

Katoomba and Upper Blue Mountains 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.

Directors' declaration

For the year ended 30 June 2026

In accordance with a resolution of the directors of Katoomba and Upper Blue Mountains Community Enterprise Limited, 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 they become due and payable.
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 33 is true and correct.

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


Charles Brooke Broughton
Chair

Dated this 24th day of September, 2026

Independent audit report



Independent Auditor's Report

To the Members of Katoomba and Upper Blue Mountains Community Enterprise Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared 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 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* (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 opinion.

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 we do not express any form of assurance conclusion thereon.



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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

A stylized, handwritten-style signature for RSD Audit.

RSD Audit

A handwritten signature for Tyson Holt.

Tyson Holt

28 September 2026

Community Bank · Katoomba & Upper Blue Mountains
117 Katoomba Street, Katoomba NSW 2780
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Web: www.bendigobank.com.au/katoomba

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