Annual Report 2026

Kolan/Perry Community Enterprises Limited

Community Bank
Gin Gin

ABN 21 123 507 844

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CHAIRMAN'S REPORT

As we approach the end of another year, it is encouraging to reflect on the progress we have made and the achievements we have accomplished together.

While progress on the new branch may not yet be visible from the outside, significant steps have been taken behind the scenes. Plans have now been finalised, and, all going well, construction is expected to commence in the first half of next year. This project has been a long time in the making, and I am sure we will all share in the excitement as we begin to see tangible progress towards bringing our new branch to life.

While we continue to put funds aside for this important development, we are pleased to report that our Community Enterprise Foundation (CEF) has accumulated sufficient funds to allow us to continue supporting our community comfortably for several years to come. Throughout 2026, we have proudly supported numerous community groups and organisations, distributing a total of $89,000. We remain committed to giving back to the community that continues to support us.

This year has also brought some changes to our team, with the departure of Payge and the arrival of Michelle. We extend a warm welcome to Michelle and are delighted to have her join us.

We also celebrate a significant milestone for one of our valued team members, Kim who has reached 15 years of service with our branch. Congratulations, Kim, and thank you for your dedication, commitment and hard work over the years. I would also like to acknowledge all our employees for their continued efforts and contributions. Your hard work does not go unnoticed, and each of you is greatly appreciated.

Our branch continues to maintain a strong financial position, with current footings of $172.1 million and a total of 7,752 accounts. Over the past year, our dedicated staff have opened 809 new accounts, reflecting their ongoing commitment to building relationships and supporting the growth of our branch.

We are also delighted to welcome Christine Walker as a new member of our Board. Christine will undoubtedly bring fresh ideas, valuable insights and a new perspective to our discussions and decision-making. Thank you, Christine, for joining us, and we look forward to working with you.

Finally, I would like to express my sincere appreciation to my fellow Board members. Each of you brings unique strengths, knowledge and perspectives to the Board, and your contributions play an important role in our collective success. Your support and commitment make my role as Chairman all the more rewarding.

As we look ahead to 2027, we do so with optimism and enthusiasm for the opportunities and challenges that lie ahead. Thank you to our staff, Board members, community partners and members for your continued support throughout the year. I look forward to another successful year together.

Philp Finlay

Chairman Kolan/Perry Community Enterprises Ltd

BRANCH MANAGER'S REPORT

The 2025/26 financial year was another productive year for Community Bank Gin Gin, with solid growth across both lending and deposits. While we achieved positive overall results, the year also presented a number of challenges, particularly in relation to lending demand, staffing and the additional support provided to our neighbouring Bundaberg branch.

Throughout the year, we provided considerable assistance to Bundaberg Branch during an extended period of management absence, which left the branch without qualified lending staff for a significant time. Staffing shortages also placed additional pressure on its day-to-day operations. While we were pleased to provide this support, it did place additional demands on our own resources. Unfortunately, this assistance did not translate into significant additional growth, with limited lending opportunities being identified and pursued. Rising interest rates also contributed to a more cautious lending environment, with both prospective and existing customers postponing borrowing decisions. In addition, increased customer maintenance requirements placed further pressure on resources, particularly where Bundaberg Branch was unable to meet its customers' needs.

Lending and Deposit Performance

During the year, we approved and funded 49 home loans, personal loans and credit cards, totalling $7.90 million. While the number of applications was slightly lower than in the previous financial period, the total value of lending funded increased from $7.05 million across 53 approvals and fundings in the preceding period.

Despite this improvement, we experienced 38 loan discharges totalling $4.3 million. These were primarily associated with property sales, with relatively few relating to refinancing. When combined with natural amortisation and cash payouts, this resulted in net lending growth of $1.77 million, exceeding our target of $1.0 million.

Deposit growth was again a strong performer, increasing by $9.53 million against a target of $5.1 million. This result reflects the continued confidence our customers place in Community Bank Gin Gin and the relationships our team works hard to maintain.

Overall, including Rural, Business and other Bendigo Bank investment sources, the branch's total book increased from $139.8 million to $172.1 million. This represents a significant achievement and provides a strong foundation for continued growth.

Our People and Our Customers

There were some staffing changes during the year, with Payge departing and Michelle joining us as a Customer Service Officer. We continue to actively seek a suitable replacement for Ryan's former Home Loan Specialist position, recognising the importance of having dedicated lending expertise available to support our customers and future growth.

I would like to sincerely thank all our customers who have continued to support the bank through the highs and lows of the past year. We also warmly welcome the new customers who have chosen to bank with us. It is the combination of our loyal existing customers and those who join us each year that strengthens our branch, supports its ongoing profitability and enables the Board to continue delivering meaningful benefits to our local community.

The longstanding commitment of our customers is something we never take for granted. At Community Bank Gin Gin, we believe that when customers choose to bank with us, they become part of something bigger than banking alone.

Supporting Our Community

One of the most rewarding aspects of our Community Bank model is the opportunity to return profits to the community that supports us. It has been particularly pleasing to see the Board continue to provide financial assistance to not-for-profit organisations, emergency services, sporting clubs and a range of other worthwhile community projects.

Our cumulative community funding has now surpassed $2.0 million, a significant milestone that demonstrates the lasting impact of the Community Bank model and the value of keeping banking local. This achievement would not be possible without the ongoing support of our customers, the dedication of our staff and the commitment of our Board.

Looking Ahead

As banking continues to evolve, Bendigo Bank remains focused on strengthening its digital services, improving scam awareness, refining lending processes and enhancing risk monitoring. While embracing these developments, we remain equally committed to providing the personal, face-to-face service our customers have come to value.

We recognise that customers have different preferences when it comes to managing their finances, and our aim is to continue offering choice, combining the convenience of digital banking with the reassurance of dealing directly with our local team.

Our staff remain committed to growing the branch, delivering strong financial results and ensuring that profitability continues to benefit our community. I encourage our shareholders to help us identify new business opportunities and introduce organisations within the community that may benefit from our support. We also welcome referrals from existing and prospective customers, particularly those seeking an alternative to the major banks and a more personal approach to their banking.

I would like to extend a heartfelt thank you to our loyal, experienced and dedicated staff for their continued commitment to assisting every customer. Their professionalism, hard work and willingness to go above and beyond are integral to the success of Community Bank Gin Gin. Without them, the service and community connection we provide would simply not be the same.

I also thank the Board for its continued guidance, support and commitment to the success of the branch and the broader community.

Finally, thank you to our customers and shareholders for your ongoing trust and support. While the year ahead will undoubtedly bring its own challenges, I remain optimistic about the opportunities available to us and confident in our ability to continue growing alongside our community.

Jonathan Smith
Branch Manager

DIRECTOR'S REPORT

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:	Philip John Finlay
Title:	Non-executive director
Experience and expertise:	Philip is a third generation primary producer in the Gin Gin area. He has been involved with the Gin Gin Rugby League Football Club most of his life, including playing on the team and being president for four years. He is currently Vice President and also received a life membership. Philip is also an executive member of the Gin Gin Show Society where he has volunteered for many years.
Special responsibilities:	Chair

Name:	David Bruce Apel
Title:	Non-executive director
Experience and expertise:	David is a Grazier. He managed family cattle property and business for 27 years, Associate Diploma in Farm Business Management, Member of local Drought Committee, former Kolan Shire councillor and chair of the fire brigade.
Special responsibilities:	Human Resource Committee, Asset Management Committee and Marketing Committee

Name:	Paul Robert Stehbens
Title:	Non-executive director
Experience and expertise:	Paul was a trade qualified Boilermaker who has worked primarily in the Earth Moving industry up until completing his Bachelor of Teaching in 1997. His teaching career began at Rosedale state school in 1998. He was appointed as Head of Department at Gin Gin State High School in 2001 and since then has worked as Deputy Principal and now Principal within the School. He has been part of Kolan Perry Community Enterprises since its inception in 2007 and has held positions of President and Vice President of the Gin Gin Show Society as well as positions within the Gin Gin Primary School P&C Association.
Special responsibilities:	Human Resource Committee and Marketing Committee

Name:	Margaret Ann Flanders
Title:	Non-executive director
Experience and expertise:	Margaret has 35+ years teaching with CQUniversity at Bundaberg Campus. She holds a Bachelor of Commerce, Diploma of Tertiary Studies, Master of Applied Science (Res) CQU and a Graduate Certificate of Applied Statistics. She is currently a member of ESA International (Gin Gin branch member for over 25 years).
Special responsibilities:	Marketing Committee

Name:	Susan Louise Bengtson
Title:	Chief Operating Officer, Executive Director
Experience and expertise:	Susan is a Marketing/Publicity Officer. Part of the Board of Kolan/Perry Community Enterprises since the steering committee. Canegrowers Isis Limited Director.
Special responsibilities:	Treasurer, Marketing/Publicity Committee and Audit Committee

Name:	June Maree Larsen
Title:	Non-executive director
Experience and expertise:	Gin Gin Show Society member.
Special responsibilities:	Nil

Name:	Cameron Arthur Dean
Title:	Non-executive director
Experience and expertise:	Managing Director of Gin Gin & Dry, a food manufacturing business in Gin Gin, QLD. Studied at Marcus Oldham College in farm business management.
Special responsibilities:	Vice Chair

Name:	Christine Elizabeth Needham Walker
Title:	Non-executive director (appointed 25 June 2026)
Experience and expertise:	Property law solicitor working at a legal firm in Bundaberg. Assistant Treasurer and committee member of the Gin Gin Show Society, assisting with the organisation of the annual Gin Gin Show and Show Ball. Active member of the Gin Gin community and local sporting organisations.
Special responsibilities:	Nil

Company secretary
The company secretary is Kirsty Louise Robertson. Kirsty was appointed to the position of company secretary on 23 January 2025.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $198,702 (30 June 2025: $69,942).

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 10 cents per share (2025: 10 cents)	73,161	73,161

Significant changes in the state of affairs
During the year, the Board received Council approval for the demolition of the property at 79 Mulgrave. This approval supports the Board's plans to redevelop the site as a new branch premises.

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

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

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

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

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

	Board		Marketing Committee	
	Eligible	Attended	Eligible	Attended
Philip John Finlay	11	11	1	1
David Bruce Apel	11	7	1	1
Paul Robert Stehbens	11	8	1	1
Margaret Ann Flanders	11	9	1	1
Susan Louise Bengtson	11	11	1	1
June Maree Larsen	11	11	1	1
Cameron Arthur Dean	11	9	1	1
Christine Elizabeth Needham Walker	-	-	-	-

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 26 and note 27 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
Philip John Finlay	2,000	-	2,000
David Bruce Apel	28,000	-	28,000
Paul Robert Stehbens	5,001	-	5,001
Margaret Ann Flanders	1,000	-	1,000
Susan Louise Bengtson	1,001	-	1,001
June Maree Larsen	10,000	1,000	11,000
Cameron Arthur Dean	2,000	-	2,000
Christine Elizabeth Needham Walker	-	-	-

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 28 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

Philip John Finlay
Chair

14 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Kolan/Perry Community Enterprises Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2026

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of profit or loss and other comprehensive income for the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue from contracts with customers	7	1,320,428	1,259,377
Other revenue	8	116,195	91,452
Finance revenue		23,725	28,950
Laundromat income	9	46,941	58,364
Total revenue		1,507,289	1,438,143
Employee benefits expense	10	(607,434)	(608,609)
Advertising and marketing costs		(6,777)	(8,825)
Occupancy and associated costs		(45,015)	(61,315)
System costs		(25,413)	(26,861)
Depreciation and amortisation expense	10	(234,194)	(71,954)
Laundromat expenses	9	(59,828)	(33,501)
Finance costs	10	(2,496)	(4,625)
General administration expenses		(118,975)	(150,507)
Total expenses before community contributions and income tax		(1,100,132)	(966,197)
Profit before community contributions and income tax expense		407,157	471,946
Charitable donations and sponsorships expense	10	(81,433)	(371,800)
Profit before income tax expense		325,724	100,146
Income tax expense	11	(127,022)	(30,204)
Profit after income tax expense for the year		198,702	69,942
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		198,702	69,942
		Cents	**Cents**
Basic earnings per share	30	27.16	9.56
Diluted earnings per share	30	27.16	9.56

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

Statement of financial position for the year ended 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	12	15,282	121,920
Trade and other receivables	13	140,767	122,232
Investments	14	731,568	358,437
Current tax assets	11	-	29,065
Total current assets		887,617	631,654
Non-current assets			
Investment properties	17	1,157,084	1,217,467
Property, plant and equipment	15	136,137	93,654
Right-of-use assets	16	55,630	26,178
Intangible assets	18	17,531	30,753
Deferred tax assets	11	29,577	31,257
Total non-current assets		1,395,959	1,399,309
Total assets		2,283,576	2,030,963
Liabilities			
Current liabilities			
Trade and other payables	19	75,700	55,946
Borrowings		-	5,977
Lease liabilities	20	30,010	28,687
Current tax liabilities	11	101,213	-
Employee benefits	21	80,948	84,548
Lease make good provision		-	13,969
Total current liabilities		287,871	189,127
Non-current liabilities			
Trade and other payables	19	-	14,276
Borrowings		368	169
Lease liabilities	20	27,977	-
Employee benefits	21	11,885	10,495
Lease make good provision		13,038	-
Total non-current liabilities		53,268	24,940
Total liabilities		341,139	214,067
Net assets		1,942,437	1,816,896
Equity			
Issued capital	22	712,308	712,308
Retained earnings		1,230,129	1,104,588
Total equity		1,942,437	1,816,896

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

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		712,308	1,107,807	1,820,115
Profit after income tax expense		-	69,942	69,942
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	69,942	69,942
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(73,161)	(73,161)
Balance at 30 June 2025		712,308	1,104,588	1,816,896
Balance at 1 July 2025		712,308	1,104,588	1,816,896
Profit after income tax expense		-	198,702	198,702
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	198,702	198,702
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(73,161)	(73,161)
Balance at 30 June 2026		712,308	1,230,129	1,942,437

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

Statement of cash flows
for the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,583,286	1,555,410
Payments to suppliers and employees (inclusive of GST)		(1,071,417)	(1,408,166)
Interest received		23,256	30,756
Interest and other finance costs paid		(176)	(754)
Income taxes refunded/(paid)		4,936	(55,132)
Net cash provided by operating activities	29	539,885	122,114
Cash flows from investing activities			
Payments for investment properties		(120,664)	(31,652)
Payments for property, plant and equipment		(55,550)	(62,770)
Payments for intangible assets		(12,978)	(12,978)
Redemption of/ (payments for) investments		(373,131)	100,603
Proceeds from disposal of property, plant and equipment		25,000	-
Net cash used in investing activities		(537,323)	(6,797)
Cash flows from financing activities			
Interest and other finance costs paid		(1,299)	(2,908)
Repayment of lease liabilities		(28,962)	(26,812)
Dividends paid	24	(73,161)	(73,161)
Repayment of borrowings		(5,778)	(8,875)
Net cash used in financing activities		(109,200)	(111,756)
Net increase/(decrease) in cash and cash equivalents		(106,638)	3,561
Cash and cash equivalents at the beginning of the financial year		121,920	118,359
Cash and cash equivalents at the end of the financial year	12	15,282	121,920

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

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

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 63 Mulgrave Street, Gin Gin QLD 4671.

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 14 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

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.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

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

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in December 2027.

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

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

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

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

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

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

Note 6. Restatement of comparatives

Reclassification of investment account
During the year, the directors reviewed the classification of financial assets under AASB 107 *Statement of Cash Flows* and AASB 9 *Financial Instruments*. The Sandhurst Trustees Investment account, previously classified as cash and cash equivalents, has been reclassified as a current investment measured at fair value through profit or loss. This reflects its withdrawal restrictions, unitised structure, and exposure to fair value changes.

The change in classification had the following impacts on comparative figures:

Note 6. Restatement of comparatives (continued)

- Cash and cash equivalents decreased and investments increased by $358,437 at 30 June 2025.
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

Note 7. Revenue from contracts with customers

	2026 $	2025 $
Margin income	1,158,682	1,095,988
Fee income	83,483	86,218
Commission income	78,263	77,171
	1,320,428	1,259,377

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, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

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

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

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

Note 7. Other evenue (continued)

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 8. Other revenue

	2026 $	2025 $
Rental income	91,195	91,452
Net gain on disposal of property, plant and equipment	25,000	-
	116,195	91,452

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 stream	Revenue recognition policy
Rental income	Rental income from owned investment properties is accounted for on a straight-line basis over the lease term. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.
Gain on sale of property, plant and equipment	Revenue from the sale of property, plant and equipment is recognised when the buyer obtains control of the asset. Control is transferred when the buyer has the ability to direct the use of and substantially obtain the economic benefits from the asset.

Note 9. Laundromat income

	2026 $	2025 $
Laundromat income	46,941	58,364
Laundromat expenses	(59,828)	(33,501)
Net laundromat income	(12,887)	24,863

Accounting policy for laundromat income
Revenue for the self-service laundry machines is recognised once funds are deposited.

Note 10. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	518,074	510,631
Non-cash benefits	8,125	14,357
Superannuation contributions	61,401	58,631
Expenses related to long service leave	(3,228)	6,772
Other expenses	23,062	18,218
	607,434	608,609

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	17	-
Plant and equipment	5,013	4,831
Motor vehicles	8,037	8,037
Investment properties	181,047	19,865
	194,114	32,733
Depreciation of right-of-use assets		
Leased land and buildings	26,858	25,999
Amortisation of intangible assets		
Franchise fee	2,204	2,203
Franchise renewal fee	11,018	11,019
	13,222	13,222
	234,194	71,954

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	31,433	71,800
Contribution to the Community Enterprise Foundation™	50,000	300,000
	81,433	371,800

Note 10. Expenses (continued)

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

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

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

Note 11. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	125,342	30,935
Movement in deferred tax	1,680	(731)
Aggregate income tax expense	127,022	30,204
Prima facie income tax reconciliation		
Profit before income tax expense	325,724	100,146
Tax at the statutory tax rate of 25%	81,431	25,037
Tax effect of:		
Non-deductible expenses	45,591	5,167
Income tax expense	127,022	30,204

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	3,714	4,143
Employee benefits	23,208	23,761
Lease liabilities	14,497	7,172
Provision for lease make good	3,260	3,492
Accrued expenses	864	1,175
Income accruals	(2,058)	(1,941)
Right-of-use assets	(13,908)	(6,545)
Deferred tax asset	29,577	31,257

	2026 $	2025 $
Income tax refund due	-	29,065

	2026 $	2025 $
Provision for income tax	101,213	-

Note 11. Income tax (continued)

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

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

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

Note 12. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	15,282	121,920

Note 13. Trade and other receivables

	2026 $	2025 $
Trade receivables	119,894	104,880
Other receivables and accruals	300	300
Accrued income	8,232	7,763
Prepayments	12,341	9,289
	20,873	17,352
	140,767	122,232

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	140,767	122,232
Less prepayments, included in trade and other receivables	(12,341)	(9,289)
	128,426	112,943

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 14. Investments

	2026 $	2025 $
Current assets		
Managed funds	731,568	358,437

Note 15. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	169,946	157,381
Less: Accumulated depreciation	(157,398)	(157,381)
	12,548	-
Plant and equipment - at cost	121,526	121,526
Less: Accumulated depreciation	(106,190)	(101,177)
	15,336	20,349
Motor vehicles - at cost	40,185	40,185
Less: Accumulated depreciation	(26,621)	(18,584)
	13,564	21,601
Capital works in progress - at cost	94,689	51,704
	136,137	93,654

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 $	Motor vehicles $	Capital works in progress $	Total $
Balance at 1 July 2024	-	14,114	29,638	-	43,752
Additions	-	11,066	-	51,704	62,770
Depreciation	-	(4,831)	(8,037)	-	(12,868)
Balance at 30 June 2025	-	20,349	21,601	51,704	93,654
Additions	12,565	-	-	42,985	55,550
Depreciation	(17)	(5,013)	(8,037)	-	(13,067)
Balance at 30 June 2026	12,548	15,336	13,564	94,689	136,137

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	2 to 40 years
Plant and equipment	1 to 40 years
Motor vehicles	5 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 16. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	251,225	194,915
Less: Accumulated depreciation	(195,595)	(168,737)
	55,630	26,178

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	50,244
Remeasurement adjustments	1,933
Depreciation expense	(25,999)
Balance at 30 June 2025	26,178
Remeasurement adjustments	56,310
Depreciation expense	(26,858)
Balance at 30 June 2026	55,630

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 20 for more information on lease arrangements.

Note 17. Investment properties

	2026 $	2025 $
Investment property - at cost	1,396,077	1,275,413
Less: Accumulated depreciation	(238,993)	(57,946)
	1,157,084	1,217,467

Reconciliation
Reconciliation of the beginning and end of the current and previous financial year are set out below:

Opening amount	1,217,467	1,205,680
Additions	120,664	31,652
Depreciation expense	(181,047)	(19,865)
Closing amount	1,157,084	1,217,467

Note 17. Investment properties (continued)

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are recognised at cost, less accumulated depreciation.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Changes in estimates
During the financial year, the company assessed the estimates used for property, plant and equipment, including useful lives, residual values and depreciation methods. As part of this assessment, the estimated useful life of the 79 Mulgrave building was revised to reflect management's intention to demolish the building within the next 12 months as part of the development of a new branch property. Accordingly, the remaining useful life of the building has been accelerated and depreciation is expected to continue until 30 June 2027. No impairment loss has been recognised as a result of this assessment.

Note 18. Intangible assets

	2026 $	2025 $
Franchise fee	43,370	43,370
Less: Accumulated amortisation	(40,448)	(38,244)
	2,922	5,126
Franchise renewal fee	166,852	166,852
Less: Accumulated amortisation	(152,243)	(141,225)
	14,609	25,627
	17,531	30,753

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	7,329	36,646	43,975
Amortisation expense	(2,203)	(11,019)	(13,222)
Balance at 30 June 2025	5,126	25,627	30,753
Amortisation expense	(2,204)	(11,018)	(13,222)
Balance at 30 June 2026	2,922	14,609	17,531

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.

Note 18. Intangible assets (continued)

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)	December 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 19. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	4,296	2,315
Other payables and accruals	71,404	53,631
	75,700	55,946
Non-current liabilities		
Other payables and accruals	-	14,276
	75,700	70,222

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	75,700	70,222
Less statutory payables, included in trade and other payables	(27,883)	(11,223)
	47,817	58,999

Note 20. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	30,010	28,687
Non-current liabilities		
Land and buildings lease liabilities	27,977	-
	57,987	28,687

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	28,687	53,566
Remeasurement adjustments	58,262	1,933
Lease interest expense	1,299	2,908
Lease payments - total cash outflow	(30,261)	(29,720)
	57,987	28,687

Note 20. Lease liabilities (continued)

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	Lease term end date used in calculations
Gin Gin Branch	7.26%	2 years	June 2028

Note 21. Employees benefits

	2026 $	2025 $
Current liabilities		
Annual leave	52,336	51,318
Long service leave	28,612	33,230
	80,948	84,548
Non-current liabilities		
Long service leave	11,885	10,495
	92,833	95,043

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

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

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

Note 22. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	731,609	731,609	731,609	731,609
Less: Equity raising costs	-	-	(19,301)	(19,301)
	731,609	731,609	712,308	712,308

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

Rights attached to issued capital

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

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

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 275. As at the date of this report, the company had 279 shareholders (2025: 285 shareholders).

Note 22. Issued capital (continued)

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 23. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 24. 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 10 cents per share (2025: 10 cents)	73,161	73,161

Note 24. Dividends (continued)

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	568,727	537,982
Franking credits (debits) arising from income taxes paid (refunded)	(4,936)	55,132
Franking debits from the payment of franked distributions	(24,387)	(24,387)
	539,404	568,727
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	539,404	568,727
Franking credits (debits) that will arise from payment (refund) of income tax	101,213	(29,065)
Franking credits available for future reporting periods	640,617	539,662

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 25. Financial risk management

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

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

The directors have identified 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 minimal borrowings.

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

Note 25. Financial risk management (continued)

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 12)	15,282	121,920
Trade and other receivables excluding prepayments (note 13)	128,426	112,943
	143,708	234,863
Financial assets at fair value through profit or loss		
Investments (note 14)	731,568	358,437
Financial liabilities		
Trade and other payables (note 19)	47,817	58,999
Lease liabilities (note 20)	57,987	28,687
Bank loans	368	169
Chattel mortgage	-	5,977
	106,172	93,832

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)

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

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.

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.

Note 25. Financial risk management (continued)

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 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 $15,282 and investments of $731,568 at 30 June 2026 (2025: $121,920 and $358,437).

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2026		2025	
	Nominal interest rate %	**Balance $**	**Nominal interest rate %**	**Balance $**
Bank loans	7.51%	368	7.17%	169
Net exposure to cash flow interest rate risk		368		169

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.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2026 $	**2025 $**
Bank loan	471,971	740,000

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 $
Bank loans	368	-	-	368
Trade and other payables	47,817	-	-	47,817
Lease liabilities	30,987	30,987	-	61,974
Total non-derivatives	79,172	30,987	-	110,159

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	5,977	-	-	5,977
Bank loans	169	-	-	169
Trade and other payables	44,723	14,276	-	58,999
Lease liabilities	29,639	-	-	29,639
Total non-derivatives	80,508	14,276	-	94,784

Note 26. Key management personnel disclosures

The following persons were directors of Kolan/Perry Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

Philip John Finlay
David Bruce Apel
Paul Robert Stehbens
Margaret Ann Flanders
Susan Louise Bengtson
June Maree Larsen
Cameron Arthur Dean
Christine Elizabeth Needham Walker

Compensation
Key management personnel compensation comprised the following.

	2026 $	2025 $
Short-term employee benefits	57,758	55,572
Post-employment benefits	6,931	6,391
	64,689	61,963

Compensation of the company's key management personnel includes salaries, superannuation and other leave entitlements.

Employee benefits relate to remuneration of Susan Bengston who is remunerated for her role as the company's Chief Operating Officer.

Note 27. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 26.

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 made sponsorships to community groups where company directors also hold roles as staff or board members	39,573	3,000
The company purchased furniture from Gin Gin State High School where company director Paul Stehbens is Principal	-	1,500

Note 28. 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	10,432	8,250
Other services		
Taxation advice and tax compliance services	1,149	950
General advisory services	4,165	2,905
Share registry services	6,410	6,600
	11,724	10,455
	22,156	18,705

Note 29. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit after income tax expense for the year	198,702	69,942
Adjustments for:		
Depreciation and amortisation	234,194	71,954
Net gain on disposal of non-current assets	(25,000)	-
Lease liabilities interest	1,299	2,908
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(18,535)	6,721
Decrease/(increase) in income tax refund due	29,065	(24,197)
Decrease/(increase) in deferred tax assets	1,680	(731)
Increase/(decrease) in trade and other payables	18,456	(6,390)
Increase in provision for income tax	101,213	-
Increase/(decrease) in employee benefits	(2,210)	945
Increase in other provisions	1,021	962
Net cash provided by operating activities	539,885	122,114

Note 30. Earnings per share

	2026 $	2025 $
Profit after income tax	198,702	69,942
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	731,609	731,609
Weighted average number of ordinary shares used in calculating diluted earnings per share	731,609	731,609

Note 30. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	27.16	9.56
Diluted earnings per share	27.16	9.56

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

Note 31. Commitments

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

Note 32. Contingencies

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

Note 33. Events after the reporting period

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

DIRECTOR'S DECLARATION

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

Philip John Finlay
Chair

14 September 2026

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 Kolan/Perry Community Enterprises Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Kolan/Perry Community Enterprises Limited (the company), is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of the company, 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 policies, and
- the Directors' declaration.

Basis for opinion

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

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

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

Other information

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

Liability limited by a scheme approved under Professional Standards Legislation.

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Our opinion on the financial report does not cover the other information and accordingly 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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: 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: 14 September 2026

Joshua Griffin
Lead Auditor

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Bendigo Bank

Community Bank
Gin Gin

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Bendigo Bank

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