

Annual Report 2026

Lara District Community
Enterprise Limited

Community Bank
Lara District

ABN 67 134 347 087



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Chair's report

For year ending 30 June 2026



Although banking is rapidly moving into the digital space, many customers still value and need face-to-face service, along with guidance on the most suitable products for their needs.

To our valued Shareholders and Friends of Community Bank Lara District

During the 2025–2026 financial year, we continued to strengthen our presence across the Lara, Little River and Anakie district.

Our customer support continued to grow during the year, with our individual customer base exceeding 6,000. This growth reflects the outstanding service provided by our staff and is essential to our ongoing ability to support the community.

Although banking is rapidly moving into the digital space, many customers still value and need face-to-face service, along with guidance on the most suitable products for their needs. Following the closure of the only other bank in town in June, Community Bank Lara District will continue to provide the personal and business banking services our community has relied on in the past and will continue to need in the future.

As a community-owned bank, our purpose is to support the region we serve. Each of our volunteer Directors has family ties to Lara and is passionate about supporting the many groups and organisations that strengthen the fabric of the Lara, Little River and Anakie communities. To this end, we have invested \$480,000 across 48 different groups over the past year. These investments help these groups provide sporting, cultural and social support for their members and the wider community.

As part of our community investment, we joined other Community Banks across the Geelong region in supporting the Barwon Health Foundation's Women's and Children's Hospital Appeal. Together, we contributed \$200,000 towards a major infrastructure project for the region. This funding will help deliver facilities that will become an important asset for families across the Geelong region.

Total banking business at June 30 was \$280,000,000 (total loans and deposits), which was an increase on last year.

Net Profit (after donations, grants and sponsorships) was \$340,306 (pre-tax).

Thank you to all our shareholders who support what we do in our community. As a company we welcome new shareholders and see it as a vote of confidence in what we do. During the year we paid a dividend of 13 cents per share.

Bendigo Bank have continued to support us and along with other community banks in the Geelong region we continue to have the most physical branches of any bank in the region. We wish to acknowledge the support we receive from the Geelong Regional office.

Our Board receives great feedback for our staff, the majority of whom live, work and play in our community. Our staff are the face of our business, and we are indebted to them in the way they work to provide great service and grow our business.

Chair's report (continued)

In terms of staff movements, we welcomed Josh back to the branch as Business Development Manager, strengthening our mobile lending service and support for local businesses. Tejana, another Lara local, also joined us as a Customer Service Officer.

Two staff members left during the year: Neelam was promoted to a new role at another Bendigo Bank, and Ravi left the banking industry. Britt remains on maternity leave.

As always, our staff look forward to providing excellent banking service. For the Board, there is nothing more rewarding than supporting the many groups that strengthen the Lara, Little River and Anakie communities. As our community grows, schools, sporting clubs, service groups and passive recreation areas face increasing pressure. As a Community Bank, we see this as an opportunity to support these groups so they can meet the needs of their current and future members, as well as the wider community.

In fact, this is why it is imperative that we continue to grow our business and maintain a strong physical presence both from a Community Bank perspective and with our Board of Directors going out and about along with our staff visiting the many groups we support.

On a personal note, I would like to thank each of our Directors and Sheyne Berry, our Administrative Support Officer for their work in this past year.

Banking is our business; Community is our purpose.



Andrew Hilliard
Chair
Lara District Community Enterprise Limited

Manager's report

For year ending 30 June 2026



Our focus on face-to-face service and personalised financial care is the main driver behind our customer base officially expanding to over 6,000 individuals this year. Our unique community banking model means that our customers' loyalty has a direct, positive impact on our local area.

Dear valued customers, staff, Board, and community members,

What an incredible and rewarding twelve months it has been! As the 2025/2026 financial year draws to a close, I am filled with immense pride to reflect on another highly successful year for Community Bank Lara District. Despite a complex economic environment, our branch has continued to grow, support, and invest in the people, businesses, and community groups of Lara, Anakie, and Little River.

The past financial year has been one of navigation and resilience. Nationally, inflation began to show signs of stabilising but remained sticky enough to keep the Reserve Bank of Australia (RBA) cash rate on pause at restrictive levels. This sustained high-rate environment has meant that local families and small businesses continued to feel the pinch of cost-of-living pressures.

In Victoria, the property market experienced a unique period of adjustment. Unlike other parts of Australia that saw rapid price surges, the Victorian market faced a cooling and stabilisation phase. A combination of regulatory changes and updated land tax structures prompted many property investors to sell, leading to increased housing supply but softening overall capital growth in both metropolitan and regional areas.

For homebuyers – particularly first-time buyers in our region – borrowing capacities remained highly constrained. Navigating this landscape required careful, empathetic guidance, and I am incredibly proud of how our lending team stepped up to provide personalised, clear advice to help local families realise their home ownership dreams safely.

In the wider banking sector, the industry-wide trend toward digital-first models has accelerated. Under Bendigo Bank's core philosophy of *"Digital by design, Human when it matters,"* we recognise that digital convenience is essential, but nothing can truly replace a genuine human connection. While other major institutions reduced their physical footprint in our area, Community Bank Lara District has remained steadfast in our commitment to being present.

This local presence is our superpower. Our focus on face-to-face service and personalised financial care is the main driver behind our customer base officially expanding to over 6,000 individuals this year. Our unique community banking model means that our customers' loyalty has a direct, positive impact on our local area. Every deposit made and every loan settled helps us generate the profits that we proudly return to local community groups, sporting clubs, and essential services.

Through the collective support of our loyal customers and the dedication of our branch team, we achieved another year of solid financial performance. As of the 30th of June 2026, our combined branch's business is noted as:

Total Loans: \$104.4 million

Total Deposits: \$175.1 million

Total Business: \$280 million

Manager's report (continued)

This represents an overall footings increase of \$10 million, reflecting a robust 3.76% growth on the 24/25 financial year. While our lending book saw a minor contraction from last year's \$106.6 million—reflecting the broader softening in Victorian homebuying and refinancing activity—our deposit book experienced exceptional growth, climbing by more than \$12 million. In times of economic uncertainty, our community has looked to us as a safe, trusted haven for their savings, and we do not take that trust for granted.

A business is only as strong as its people, and this year brought several key updates to our wonderful team. We farewelled Ravi, who left his Business Development role to pursue a career outside of branch banking. We thank Ravi for his valuable contribution and wish him every success. We also celebrated the promotion of Neelam, who transitioned into an exciting new role at a different branch within the Bendigo network. Additionally, our Branch Operations Manager, Britt, has extended her parental leave to focus on her beautiful family.

To support these changes, we were delighted to welcome Tejana, a passionate Lara local, to our team as a Customer Service Officer. Her local knowledge and warm attitude have already made her a favourite among our customers. We are also incredibly proud to announce the promotion of Hareem into the role of Customer Relationship Officer, where her dedication to identifying tailored financial solutions will continue to shine.

In a wonderful full-circle moment, Josh has returned to our branch as our new Business Development Manager! After expanding his skills in home lending and people management at other branches across our region, Josh brings a wealth of expertise back to Lara. He is excited to hit the road, meet with local businesses, and find new ways to support our growing community.

I want to express my deepest gratitude to our passionate, hard-working branch team. Their daily commitment to going above and beyond for our customers is what makes Community Bank Lara District so special. I also want to thank our extraordinary volunteer Board of Directors. Their tireless advocacy, vision, and unwavering dedication to the prosperity of Lara, Anakie, and Little River are truly inspirational.

Most of all, thank you to you—our customers and community members. By choosing to bank with us, you are choosing to invest in the future of our region. Together, we are building a stronger, more vibrant community.

Thank you for continuing to make us your bank of choice.

Warm regards,



Kyna Woodford
Branch Manager
Community Bank Lara District

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.

Busy bees in the garden

Little River Community Landcare Group

The Little River Community Landcare Group partnered with Little River Primary School to upgrade the gardens on the western side of the school. This area needed a little TLC, and despite the wet weather, it was wonderful to work with the school's teachers and families, along with the wider Little River Community, to help create this revitalised space which welcomes people to the school.



Finding their rhythm Lara Big Band

If there was ever a story to highlight the saying "from little things, big things grow," then the Lara Big Band is a shining example! The Lara Big Band came into existence only a few years ago and while they started with only 6 members, they now have 24 musicians and are booked for many regular gigs. Our current grant for them was to purchase new percussion instruments and equipment. These items provide more ergonomic benefits for band members which has increased their enjoyment of performing.



Many hands spreading Christmas cheer

Lara Lake Helping Hands

We loved working with the Lara Lake Helping Hands team, along with other local sponsors and businesses to bring a little Christmas cheer to families in our region who were in need of a little extra care and support over the holiday season. From collecting products at the supermarket, to delivering the hampers to local schools, this project really showed how a community can come together.



Brewing care and coffee

Little Teapot Café & Play

The Little Teapot Café & Play is an organisation we have supported for many years. We love the care and connection the Little

Teapot team brings to Lara families, and we know how important coffee can be to young parents, so we absolutely love the new coffee machine we funded! Directors and staff members have also been lucky enough to enjoy some of the Girls Night In events, sharing fun, laughter and care for each other.



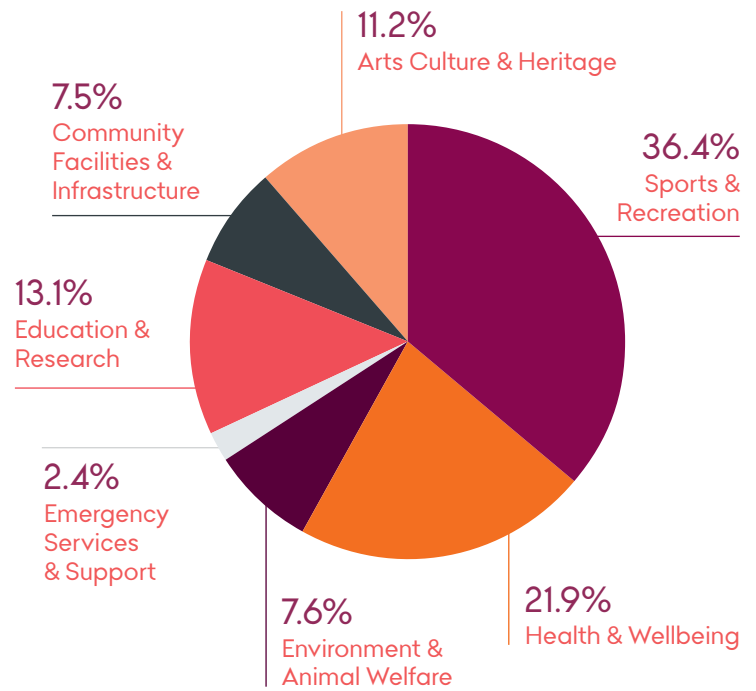
Celebrating food, culture and community Anakie Primary School

While we are not meant to have favourite groups we support, it is hard not to love what is being achieved at Anakie Primary School! They have a wonderful way of bringing the community together and creating a school environment that families love to be a part of. We were lucky enough to experience this community connection by participating in their Fresh Food Fair. We then funded two projects which were focused on indigenous culture; both the mural and the native garden have created focal points of interests at the school and encourage students to connect with culture and community.



Moments in time Lara Heritage & Historical Society

The volunteers of Lara Heritage & Historical Society do an amazing job of maintaining the Lara Museum. They have been working on creating history panels which identify the key moments in shaping the community Lara is today. Our funding has brought this project up to the current time for visitors to learn a little more about the history of our area.



Lights, camera, animals!

Friends of Serendip Sanctuary

The Friends of Serendip Sanctuary work in partnership with Parks Victoria to maintain and monitor this precious local resource. While the nature of Serendip Sanctuary is evolving, it is still a haven for some native animals. The Friends of Serendip Sanctuary team have been working hard to monitor and track the types of animals that call the sanctuary home. We funded project equipment such as cameras, torches, audio recorders and microphones to assist them in carrying out their conservation efforts.



COMMUNITY INVESTMENT PROGRAM RECIPIENTS

Lara Cricket Club	Lara Golf Club
Australia Day Breakfast Committee	Lara Swimming Club
2nd Lara Scout Group	Aiki Jujutsu Australia
Little River Cricket Club	Anakie Primary School
Lara Bowling Club	Little Teapot Café & Play
Lara CWA	Lions Club of Lara
Lara Secondary College	Lara RSL Sub Branch
Friends of Serendip Sanctuary	You Yangs Mountain Bike Club
Lara Heritage & Historical Society	Lara Big Band
Geelong Youth Engagement	Lara Food Relief
Mt Rothwell Landcare Volunteers	Lara Lake Primary School
Barwon Health Foundation	Lara Combined Churches
L2P Driving Program	Lara United Football Club
You Yangs Mountain Bike Club	University & TAFE Scholarship Program
Lifeway Christian Church	Lara Giants Basketball Club
Lara Tennis Club	North Geelong Community Women's Shed
Christmas in Lara	Corio SES
Geelong Rams Rugby Union Club	Anakie Community House
Friends of Kevin Hoffman Walk	Man Walk Lara
Lara & District Men's Shed	Little River Community Landcare Group
Lara Lifestyle Village Social Club	Anakie Football Netball Club
North Geelong Warriors Football Club	Little River Fire Brigade
PB Events	Lara Football Netball Club
	Lara Community Garden & Arts Precinct

E-emergency response assistance You Yangs Mountain Bike Club

The funding of an e-bike has completed a trifecta of assets we have assisted the You Yangs Mountain Bike Club with over recent years. The e-bike has filled a vital need by allowing faster response times to emergency situations. We are pleased that

our funding for the e-bike, as well as the mini bus and bike trailer, have increased not only member numbers for the group, but also their volunteer base.



Directors' report

30 June 2026

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

Directors

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

Name:	Andrew MacKenzie Hilliard
Title:	Non-executive director
Experience and expertise:	Andrew holds a Bachelor of Training and Development. He has an extensive experience in the Human Resources profession across a range of industries. Since retiring from full time employment in 2015, a range of short term assignments have been undertaken. During the this last year has been in acting Business Partner role with an ASX listed company specialising in the automotive after market across international markets. Andrew was elected to the Community Bank National Councils one of two regional Victorian and Tasmanian Community Bank representatives during the last year.
Special responsibilities:	Chair, Member of Governance Committee, Finance, Community Investment Program and Major Projects Committees
Name:	Elizabeth Joy Bate
Title:	Non-executive director
Experience and expertise:	Retired Primary School teacher who takes an active role in the Lara Community and beyond. President of Cancer After Care Geelong operating under the Barwon Health Foundation and supporting the Andrew Love Cancer Centre having donated over \$4m since the Groups founding in 1978. A member of Lara C.F.A. for over 50 years and a Life member of the brigade and the C.F.A. A member of Parish Council at the Parish of Holy Trinity Lara with Christ Church Little River and currently leader of the Hospitality and Social Committee and Little Treasure Playgroups. Previously the president of Lara Chamber of Commerce and a Life Member, Chair of the Committee that organized the first Lara Food and Wine Festival and the 11 that followed. Awarded an OAM in the 2026 Australia Day awards for my service to the Lara Community.
Special responsibilities:	Deputy Chair, Convenor Community Investment Program Committee.
Name:	Charles John Saliba
Title:	Non-executive director
Experience and expertise:	Charles has operated a small taxation business from home for the past 35 years. He has a strong banking, finance and taxation background. Charles is currently the accountant for the Laverton Catholic Parish.
Special responsibilities:	Finance Committee
Name:	Jürgen Ulrich Günther Strauss
Title:	Non-executive director
Experience and expertise:	Self-employed. Jürgen is the founder of Innovabiz, specialising in digital marketing, website development and lead generation strategies. He also hosts the InnovaBuzz innovation podcast. Jürgen holds B.Sc. (Hons) and PhD in Chemistry, has marketing qualifications from the Wharton Business School and Melbourne Business School. Jürgen has had a 27 year corporate career in chemical R&D, marketing, business management and people management.
Special responsibilities:	Major Community Project Committee, Member of Governance Committee
Name:	Natalie Grace Salcombe Candy
Title:	Non-executive director
Experience and expertise:	Corporate superannuation professional with over 20 years experience in the financial services industry. Currently employed as a Relationship Manager at Aware Super. Bachelor of Arts degree from the University of Melbourne. Previously held positions on other volunteer committees.
Special responsibilities:	Community Investment Program

Directors' report (continued)

Name:	Ian Graeme Duff
Title:	Non-executive director
Experience and expertise:	Self employed CPA accountant and tax agent for 20 years. Involved with Auction at The Mill. Fundraiser for Give Where You Live Charity (Geelong)
Special responsibilities:	Treasurer
Name:	Kylie Grzybek
Title:	Non-executive director (resigned 12 November 2025)
Experience and expertise:	Executive Assistant at Fire Rescue Victoria, Treasurer/Secretary Lara United FC, former Councilor/Deputy Mayor City of Greater Geelong.
Special responsibilities:	Member of Governance Committee

Company secretary

The company secretary is Sheyne Maree Berry. Sheyne was appointed to the position of company secretary on 29 November 2023.

Experience and expertise:	Sheyne Berry commenced in the role of Administration Support Officer for Lara District Community Enterprise Ltd in March 2020. Her experience in administration comes from her various voluntary roles on both the Junior and Senior committees of Lara Football Club, as well as being a committee member and Licencee of Lara Lake Community Pre-School. Sheyne holds a Bachelor of Arts degree (major in Psychology) and a Postgraduate Bachelor of Education degree. She has worked as a primary school teacher at Deer Park Primary School and an Education Support Officer and Teacher Aide at Lara Lake Primary School. The Board appointed Sheyne as Company Secretary at the start of 2024 and she has completed a Company Secretary course through Governance Institute Australia. She is also part of the Governance, Community Investment Program and Community Engagement sub-committees.
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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 \$340,306 (30 June 2025: \$342,841).

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 13 cents per share (2025: 12 cents)	114,401	105,600

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

Directors' report (continued)

Subsequent to year end, the directors approved a fully franked dividend of 13 cents per share totalling \$114,401, to be paid later in the year. As the dividend was approved after the reporting date, no liability has been recognised in the financial statements at 30 June 2026. The dividend will be recognised in the period in which it is paid.

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Andrew MacKenzie Hilliard	11	10
Elizabeth Joy Bate	11	11
Charles John Saliba	11	11
Jürgen Ulrich Günther Strauss	11	9
Natalie Grace Salcombe Candy	11	11
Ian Graeme Duff	11	11
Kylie Grzybek	5	3

Eligible: represents the number of meetings held during the time the director held office.

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 25 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
Andrew MacKenzie Hilliard	15,500	4,000	19,500
Elizabeth Joy Bate	6,001	-	6,001
Charles John Saliba	5,001	-	5,001
Jürgen Ulrich Günther Strauss	1,000	-	1,000
Natalie Grace Salcombe Candy	-	-	-
Ian Graeme Duff	6,000	-	6,000
Kylie Grzybek	10,000	-	10,000

Shares under option

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

Directors' report (continued)

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 26 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



Andrew MacKenzie Hilliard
Chair

15 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 Lara District Community Enterprise Limited

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2026

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Financial statements

Lara District Community Enterprise Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	1,973,964	1,867,159
Other revenue	7	63,114	115,363
Finance revenue		39,896	61,008
Total revenue		<u>2,076,974</u>	<u>2,043,530</u>
Employee benefits expense	8	(798,273)	(782,955)
Advertising and marketing costs		(28,999)	(21,621)
Occupancy and associated costs		(29,265)	(27,063)
System costs		(31,659)	(31,078)
Depreciation and amortisation expense	8	(86,954)	(79,959)
Finance costs	8	(36,384)	(37,304)
Loss on disposal of assets		-	(886)
General administration expenses		(131,181)	(118,593)
Total expenses before community contributions and income tax expense		<u>(1,142,715)</u>	<u>(1,099,459)</u>
Profit before community contributions and income tax expense		934,259	944,071
Charitable donations, sponsorships and grants expense	8	<u>(480,082)</u>	<u>(497,325)</u>
Profit before income tax expense		454,177	446,746
Income tax expense	9	<u>(113,871)</u>	<u>(103,905)</u>
Profit after income tax expense for the year		340,306	342,841
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>340,306</u></u>	<u><u>342,841</u></u>
		Cents	Cents
Basic earnings per share	28	38.67	38.96
Diluted earnings per share	28	38.67	38.96

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

Financial statements (continued)

Lara District Community Enterprise Limited Statement of financial position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	262,398	123,209
Trade and other receivables	11	191,367	172,289
Investments	12	1,380,830	1,267,387
Current tax assets	9	-	8,054
Total current assets		<u>1,834,595</u>	<u>1,570,939</u>
Non-current assets			
Financial assets	13	811,522	737,518
Property, plant and equipment	14	162,026	192,980
Right-of-use assets	15	575,938	583,420
Intangible assets	16	42,689	56,918
Deferred tax assets	9	439	-
Total non-current assets		<u>1,592,614</u>	<u>1,570,836</u>
Total assets		<u>3,427,209</u>	<u>3,141,775</u>
Liabilities			
Current liabilities			
Trade and other payables	17	55,444	38,008
Lease liabilities	18	78,404	74,956
Current tax liabilities	9	25,163	-
Employee benefits		52,745	29,186
Total current liabilities		<u>211,756</u>	<u>142,150</u>
Non-current liabilities			
Lease liabilities	18	703,062	712,951
Deferred tax liabilities	9	-	3,532
Employee benefits		9,465	6,618
Provisions		10,883	10,386
Total non-current liabilities		<u>723,410</u>	<u>733,487</u>
Total liabilities		<u>935,166</u>	<u>875,637</u>
Net assets		<u>2,492,043</u>	<u>2,266,138</u>
Equity			
Issued capital	19	857,526	857,526
Retained earnings		<u>1,634,517</u>	<u>1,408,612</u>
Total equity		<u>2,492,043</u>	<u>2,266,138</u>

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

Financial statements (continued)

Lara District Community Enterprise Limited Statement of changes in equity For the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		857,526	1,171,371	2,028,897
Profit after income tax expense		-	342,841	342,841
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	342,841	342,841
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(105,600)	(105,600)
Balance at 30 June 2025		<u>857,526</u>	<u>1,408,612</u>	<u>2,266,138</u>
 Balance at 1 July 2025		 857,526	 1,408,612	 2,266,138
Profit after income tax expense		-	340,306	340,306
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	340,306	340,306
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(114,401)	(114,401)
Balance at 30 June 2026		<u>857,526</u>	<u>1,634,517</u>	<u>2,492,043</u>

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

Financial statements (continued)

Lara District Community Enterprise Limited Statement of cash flows For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,144,462	1,971,596
Payments to suppliers and employees (inclusive of GST)		(1,652,830)	(1,585,016)
Dividends received		28,257	23,820
Interest received		47,533	57,773
Interest and other finance costs paid		(36)	(38)
Income taxes paid		(84,625)	(148,723)
Net cash provided by operating activities	27	482,761	319,412
Cash flows from investing activities			
Payments for financial assets		(39,147)	(25,500)
Investment in term deposits		(113,443)	(207,876)
Payments for property, plant and equipment		-	(52,630)
Payments for intangible assets		-	(71,148)
Net cash used in investing activities		(152,590)	(357,154)
Cash flows from financing activities			
Interest and other finance costs paid		(35,850)	(36,791)
Dividends paid	21	(114,401)	(105,600)
Repayment of lease liabilities		(40,731)	(31,973)
Net cash used in financing activities		(190,982)	(174,364)
Net increase/(decrease) in cash and cash equivalents		139,189	(212,106)
Cash and cash equivalents at the beginning of the financial year		123,209	335,315
Cash and cash equivalents at the end of the financial year	10	262,398	123,209

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

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

The financial statements cover Lara District Community Enterprise 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 5 Waverley Road, Lara, VIC 3212.

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

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

Accounting standards issued but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements

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

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

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

Current and non-current classification

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method.

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Notes to the financial statements (continued)

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Impairment of non-financial assets

The company assesses impairment of non-financial 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.

Notes to the financial statements (continued)

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, 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. Such a 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 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in June 2029.

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

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

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

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

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	1,825,038	1,703,800
Fee income	80,236	86,463
Commission income	68,690	76,896
	<u>1,973,964</u>	<u>1,867,159</u>

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (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 Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

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

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

Note 7. Other revenue

	2026 \$	2025 \$
Net fair value gain on financial assets	34,857	91,543
Dividend and distribution income	28,257	23,820
Other revenue	63,114	115,363

Revenue stream

Dividend and distribution income

Revenue recognition policy

Dividend and distribution income is recognised when the right to receive the payment is established.

Note 8. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	652,422	655,867
Non-cash benefits	17,877	6,160
Superannuation contributions	75,328	73,124
Expenses related to long service leave	7,974	7,721
Other expenses	44,672	40,083
	798,273	782,955

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	4,835	3,966
Plant and equipment	860	1,305
Furniture and fittings	11,475	11,076
Motor vehicles	13,784	10,181
	<u>30,954</u>	<u>26,528</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	41,771	40,387
<i>Amortisation of intangible assets</i>		
Franchise fee	2,371	2,174
Franchise renewal fee	11,858	10,870
	<u>14,229</u>	<u>13,044</u>
	<u>86,954</u>	<u>79,959</u>

Finance costs

	2026 \$	2025 \$
Lease interest expense	35,850	36,791
Unwinding of make-good provision	498	475
Other interest paid	36	38
	<u>36,384</u>	<u>37,304</u>

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	480,082	410,961
Contribution to the Community Enterprise Foundation™	-	86,364
	<u>480,082</u>	<u>497,325</u>

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

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

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

Notes to the financial statements (continued)

Note 9. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	120,834	89,631
Movement in deferred tax	(3,971)	25,233
Net benefit of franking credits on dividends received	(12,024)	(10,209)
Under/over adjustment in respect for prior periods	9,032	(750)
Aggregate income tax expense	<u>113,871</u>	<u>103,905</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>454,177</u>	<u>446,746</u>
Tax at the statutory tax rate of 25%	113,544	111,687
Tax effect of:		
Non-deductible expenses	313	625
Other assessable income	3,006	2,552
Net benefit of franking credits on dividends received	(12,024)	(10,209)
Under/over adjustment in respect for prior periods	9,032	(750)
Income tax expense	<u>113,871</u>	<u>103,905</u>
	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Carried-forward capital losses	3,175	3,175
Employee benefits	15,553	8,951
Provision for lease make good	2,721	2,596
Accrued expenses	1,000	-
Income accruals	(3,138)	(5,047)
Lease liabilities	195,366	196,977
Right-of-use assets	(143,985)	(145,855)
Property, plant and equipment	(12,698)	(15,481)
Financial assets at fair value through profit or loss	(57,555)	(48,848)
Deferred tax asset/(liability)	<u>439</u>	<u>(3,532)</u>
	2026 \$	2025 \$
Income tax refund due	<u>-</u>	<u>8,054</u>
	2026 \$	2025 \$
Provision for income tax	<u>25,163</u>	<u>-</u>

Accounting policy for income tax

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

Notes to the financial statements (continued)

Note 9. Income tax (continued)

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	<u>262,398</u>	<u>123,209</u>

Note 11. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	<u>175,104</u>	<u>148,206</u>
Accrued income	12,550	20,187
Prepayments	<u>3,713</u>	<u>3,896</u>
	<u>191,367</u>	<u>172,289</u>

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	191,367	172,289
Less prepayments, included in trade and other receivables	<u>(3,713)</u>	<u>(3,896)</u>
	<u>187,654</u>	<u>168,393</u>

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 12. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	<u>1,380,830</u>	<u>1,267,387</u>

Notes to the financial statements (continued)

Note 13. Financial assets

	2026 \$	2025 \$
Equity securities - designated at fair value through profit or loss	<u>811,522</u>	<u>737,518</u>

Reconciliation

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

Opening carrying amount	737,518	620,475
Additions	39,147	25,500
Revaluation increments	<u>34,857</u>	<u>91,543</u>
Closing carrying amount	<u>811,522</u>	<u>737,518</u>

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Note 14. Property, plant and equipment

	2026 \$	2025 \$
Leasehold improvements - at cost	79,309	79,309
Less: Accumulated depreciation	<u>(15,330)</u>	<u>(10,495)</u>
	<u>63,979</u>	<u>68,814</u>
Plant and equipment - at cost	13,233	13,233
Less: Accumulated depreciation	<u>(11,294)</u>	<u>(10,434)</u>
	<u>1,939</u>	<u>2,799</u>
Fixtures and fittings - at cost	332,199	332,199
Less: Accumulated depreciation	<u>(301,796)</u>	<u>(290,321)</u>
	<u>30,403</u>	<u>41,878</u>
Motor vehicles - at cost	89,977	89,977
Less: Accumulated depreciation	<u>(24,272)</u>	<u>(10,488)</u>
	<u>65,705</u>	<u>79,489</u>
	<u>162,026</u>	<u>192,980</u>

Notes to the financial statements (continued)

Note 14. Property, plant and equipment (continued)

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 \$	Furniture and fittings \$	Motor vehicles \$	Total \$
Balance at 1 July 2024	72,780	4,104	37,619	53,261	167,764
Additions	-	-	16,221	36,409	52,630
Disposals	-	-	(886)	-	(886)
Depreciation	(3,966)	(1,305)	(11,076)	(10,181)	(26,528)
Balance at 30 June 2025	68,814	2,799	41,878	79,489	192,980
Depreciation	(4,835)	(860)	(11,475)	(13,784)	(30,954)
Balance at 30 June 2026	<u>63,979</u>	<u>1,939</u>	<u>30,403</u>	<u>65,705</u>	<u>162,026</u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	15 to 20 years
Plant and equipment	5 to 10 years
Furniture, fixtures and fittings	2 to 5 years
Motor vehicles	3 to 8 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 15. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	828,932	794,643
Less: Accumulated depreciation	<u>(252,994)</u>	<u>(211,223)</u>
	<u>575,938</u>	<u>583,420</u>

Notes to the financial statements (continued)

Note 15. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2024	605,373
Remeasurement adjustments	18,434
Depreciation expense	<u>(40,387)</u>
Balance at 30 June 2025	583,420
Remeasurement adjustments	34,289
Depreciation expense	<u>(41,771)</u>
Balance at 30 June 2026	<u><u>575,938</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 18 for more information on lease arrangements.

Note 16. Intangible assets

	2026 \$	2025 \$
Franchise fee	34,462	34,462
Less: Accumulated amortisation	<u>(27,347)</u>	<u>(24,976)</u>
	<u>7,115</u>	<u>9,486</u>
Franchise renewal fee	171,482	171,482
Less: Accumulated amortisation	<u>(135,908)</u>	<u>(124,050)</u>
	<u>35,574</u>	<u>47,432</u>
	<u><u>42,689</u></u>	<u><u>56,918</u></u>

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	11,660	58,302	69,962
Amortisation expense	<u>(2,174)</u>	<u>(10,870)</u>	<u>(13,044)</u>
Balance at 30 June 2025	9,486	47,432	56,918
Amortisation expense	<u>(2,371)</u>	<u>(11,858)</u>	<u>(14,229)</u>
Balance at 30 June 2026	<u><u>7,115</u></u>	<u><u>35,574</u></u>	<u><u>42,689</u></u>

Notes to the financial statements (continued)

Note 16. Intangible assets (continued)

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2029

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

Note 17. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Other payables and accruals	55,444	38,008
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	55,444	38,008
Less statutory payables, included in trade and other payables	(50,558)	(38,006)
	4,886	2

Note 18. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	78,404	74,956
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	703,062	712,951
	781,466	787,907

Notes to the financial statements (continued)

Note 18. Lease liabilities (continued)

Reconciliation of lease liabilities

	2026 \$	2025 \$
Opening balance	787,907	801,446
Remeasurement adjustments	34,290	18,434
Lease interest expense	35,850	36,791
Lease payments - total cash outflow	(76,581)	(68,764)
	<u>781,466</u>	<u>787,907</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise	Lease term end date used in calculations
Lara Branch	4.79%	5 years	3 x 5 years	Yes - 2 x 5 years No - 1 x 5 years	June 2039

Note 19. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	880,011	880,011	880,011	880,011
Less: Equity raising costs	-	-	(22,485)	(22,485)
	<u>880,011</u>	<u>880,011</u>	<u>857,526</u>	<u>857,526</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Notes to the financial statements (continued)

Note 19. Issued capital (continued)

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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 20. 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.

Notes to the financial statements (continued)

Note 20. Capital management (continued)

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 21. Dividends

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 13 cents per share (2025: 12 cents)	114,401	105,600

Accounting policy for dividends

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

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	512,552	388,820
Franking credits (debits) arising from income taxes paid (refunded)	84,625	148,723
Franking debits from the payment of franked distributions	(38,134)	(35,200)
Franking credits from franked distributions received	12,024	10,209
	<u>571,067</u>	<u>512,552</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	571,067	512,552
Franking credits (debits) that will arise from payment (refund) of income tax	25,163	(8,054)
Franking credits available for future reporting periods	<u>596,230</u>	<u>504,498</u>

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%.

Note 22. Financial risk management

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

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

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

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

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

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 10)	262,398	123,209
Trade and other receivables excluding prepayments (note 11)	187,654	168,393
Investments (note 12)	1,380,830	1,267,387
Financial assets (note 13)	811,522	737,518
	<u>2,642,404</u>	<u>2,296,507</u>
Financial liabilities		
Trade and other payables (note 17)	4,886	2
Lease liabilities (note 18)	781,466	787,907
	<u>786,352</u>	<u>787,909</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets 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, cash and cash equivalents and investments in term deposits.

The company's financial assets measured at FVTPL comprise investments in listed entities 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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$262,398 and term deposits of \$1,380,830 at 30 June 2026 (2025: \$123,209 and \$1,267,387).

Equity Price risk

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss.

2026	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	<u>81,152</u>	<u>60,864</u>	(10%)	<u>(81,152)</u>	<u>(60,864)</u>

Liquidity risk

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

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

2026	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	4,886	-	-	4,886
Lease liabilities	80,103	320,412	640,826	1,041,341
Total non-derivatives	<u>84,989</u>	<u>320,412</u>	<u>640,826</u>	<u>1,046,227</u>
2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	2	-	-	2
Lease liabilities	76,581	306,323	689,226	1,072,130
Total non-derivatives	<u>76,583</u>	<u>306,323</u>	<u>689,226</u>	<u>1,072,132</u>

Notes to the financial statements (continued)

Note 23. Fair value measurement

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2026				
Assets				
Equity securities	811,522	-	-	811,522
Total assets	811,522	-	-	811,522
2025				
Assets				
Equity securities	737,518	-	-	737,518
Total assets	737,518	-	-	737,518

There were no transfers between levels during the financial year.

Note 24. Key management personnel disclosures

The following persons were directors of Lara District Community Enterprise Limited during the financial year and/or up to the date of signing of these financial statements.

Andrew MacKenzie Hilliard
Charles John Saliba
Natalie Grace Salcombe Candy
Kylie Grzybek

Elizabeth Joy Bate
Jürgen Ulrich Günther Strauss
Ian Graeme Duff

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

Note 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

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.

Notes to the financial statements (continued)

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
The company made sponsorships to community groups where company directors declared an interest.	44,544	5,979
Directors of the entity received expense reimbursements totaling:	6,207	3,429

Note 26. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,240	7,930
<i>Other services</i>		
General advisory services	4,820	4,355
Share registry services	7,197	5,082
	12,017	9,437
	20,257	17,367

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	340,306	342,841
Adjustments for:		
Depreciation and amortisation	86,954	79,959
Net (gain)/loss on disposal of non-current assets	-	886
Increase in fair value of equity instruments designated at FVTPL	(34,857)	(91,543)
Lease liability interest	35,850	36,791
Change in operating assets and liabilities:		
Increase in trade and other receivables	(19,078)	(89,064)
Decrease/(increase) in income tax refund due	8,054	(8,054)
Decrease/(increase) in deferred tax assets	(439)	21,701
Increase in trade and other payables	17,437	84,151
Increase/(decrease) in provision for income tax	25,163	(61,996)
Increase/(decrease) in deferred tax liabilities	(3,532)	3,532
Increase/(decrease) in employee benefits	26,406	(267)
Increase in other provisions	497	475
Net cash provided by operating activities	482,761	319,412

Notes to the financial statements (continued)

Note 28. Earnings per share

	2026 \$	2025 \$
Profit after income tax	340,306	342,841
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	880,011	880,011
Weighted average number of ordinary shares used in calculating diluted earnings per share	880,011	880,011
	Cents	Cents
Basic earnings per share	38.67	38.96
Diluted earnings per share	38.67	38.96

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

Subsequent to year end, the directors approved a fully franked dividend of 13 cents per share totalling \$114,401, to be paid later in the year. As the dividend was approved after the reporting date, no liability has been recognised in the financial statements at 30 June 2026. The dividend will be recognised in the period in which it is paid.

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

Directors' declaration

30 June 2026

In the directors' opinion:

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

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

On behalf of the directors



Andrew MacKenzie Hilliard
Chair

15 September 2026

Independent audit report



Andrew Frewin Stewart
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03 5443 0344

Independent auditor's report to the members of Lara District Community Enterprise Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Lara District Community Enterprise 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.



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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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2026

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

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