Annual Report 2026





Mallacoota Community Enterprises Limited

Community Bank Mallacoota

ABN 56 132 586 988

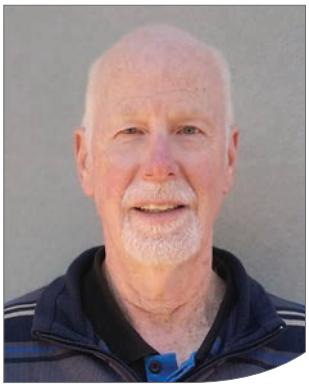
Contents

Chairman's report	2
Manager's report	4
Sponsorship report	6
Financial highlights 2025-26	8
Bendigo and Adelaide Bank report	9
Community Bank National Council	10
Directors' report	11
Auditor's independence declaration	15
Financial statements	16
Notes to the financial statements	20
Directors' declaration	38
Independent audit report	39

Front cover images: Louis Cooper-Dunne

Chairman's report

For year ending 30 June 2026



The Year That Was

MCEL's mission statement is to provide:

- direct financial support for Mallacoota organisations and community initiatives via community contributions.
- a full range of banking services, and protection of shareholder equity with a planned return on investment.

It is pleasing to again report another successful 2025-26 year for Mallacoota Community Enterprises Limited (MCEL) on both these fronts.

This success is due in great part to our wonderful staff who have again been a shining light – always helpful to our many predominantly local customers and always professional guiding both Board in managing branch related matters and customers in managing their banking needs.

The MCEL Board remain extremely proud of the personal and caring service our staff provide to our customers. In this regard, Community Bank Mallacoota remains the only organisation in Mallacoota and District providing a full range of banking services.

I take this opportunity to personally thank our team of Anne Spackman as branch manager and Rachel Morris and Jayde Everington as her able lieutenants for their efforts during 2025-26 and into the current financial year.

It is also pleasing to advise of the continuing good relationship we have with Bendigo Bank, particularly regionally. The year ended 30th June 2026 is the first year the Mallacoota branch has operated as part of Southern NSW region and we are thankful for the excellent support we have received. Jess D'Arcy and her team have not only welcomed us with open arms into the new region but provided staff and Board alike with necessary support to manage higher level banking issues effectively and efficiently.

From a Board perspective, we have also had another busy and successful year. I would like to personally thank our volunteer Board of Directors Sue Nicolaou, Jill Wood-Ingram, Peter Giddings and Peter Jones for their efforts during the year, particularly in navigating an increasingly complex compliance landscape and in managing marketing efforts so important to MCEL's continued success. Specifically, I thank Jill who is retiring from the MCEL Board in November, for her great work coordinating our marketing efforts in recent years. It is a pleasure working with all members of the Board who freely give their time for the benefit of the Mallacoota and district community.

On the marketing front, I confirm that $65,314 from 2025-26 profits has or will in future years be injected into the Mallacoota and District community to support worthwhile projects. For more details on what has been spent this year, refer to the report on community funding provided in the annual report. Included in the $65,314 is a contribution to the Community Enterprise Foundation to be used by MCEL to fund eligible community related projects in future years. This allows MCEL much greater flexibility in funding worthwhile community projects going forward.

From a financial perspective, MCEL achieved a profit before tax and community contributions of $94,347. This result was achieved despite footings (the total value of business held through Community Bank Mallacoota) dropping by $6.6 million over the course of 2025-26, resulting in income levels below budget and what was achieved in 2024-25. It is pleasing to report that expenses in an increasingly challenging operating environment were again managed diligently.

Chairman's report (continued)

Going Forward

Footings levels are MCEL's lifeblood and with uncertainty concerning future footings levels and related product margins, future profitability can never be assured. The MCEL Board together with our staff remain focussed on ways to retain/improve footings levels. In this regard, marketing efforts are strong and focussed on increasing awareness of our products and business model, which emphasises a 'Support your local bank to put profits back into the community' philosophy.

Despite above-mentioned factors outside the Board's control, another profitable year in 2026-27 is forecast although not to the same extent as recent years. Challenges facing the company continue to be the generation of sufficient footings growth to be profitable in an environment where product revenue margins are tightening and expenses are increasing in line with inflation and an increasingly complex banking services industry.

MCEL looks forward to meeting these challenges and working with shareholders, community representatives, groups and businesses to remain a significant contributor to the Mallacoota and District community.



Andrew Roberts
Chairman

Manager's report

For year ending 30 June 2026



It is with great pride that I present the Branch Manager's Report for this year's Annual Report. This past year has been a significant milestone for Community Bank Mallacoota , marked by new beginnings, dedicated learning, and a renewed focus on connecting with our local community.

Reflecting on My First Year

Having recently completed my first full year in the role of Branch Manager, I want to take this opportunity to reflect on what has been an incredibly rewarding journey. Stepping into this position has been both a privilege and a wonderful learning experience. I would like to extend my deepest appreciation to our Board of Directors for their unwavering guidance and encouragement over the past twelve months. I also want to express my sincere gratitude to the public and our wonderful customers for your ongoing trust and for warmly supporting me in this role.

Building and Developing Our Team

This year has very much been about building our foundation and looking to the future. We have welcomed Jayde to the branch, and Rachel moved to the role of Customer Relationship Officer. Our major focus has been on establishing ourselves to ensure we deliver the highest standard of service. We have invested time and energy into comprehensive training and professional development. Through this shared learning experience, we have successfully developed a fantastic working rhythm and a strong, collaborative branch culture.

A Great Team

I would like to take a moment to specifically thank both Rachel and Jayde for their exceptional dedication and commitment to our customers. They consistently go above and beyond to provide a friendly, safe, and confidential environment for our customers to discuss their banking needs. On a personal note, their unwavering support to me during my first year in this role has been invaluable and is very much appreciated.

Ready to Serve the Community

I am incredibly proud of the team we have at Community Bank Mallacoota. We have a highly skilled, knowledgeable, and wonderfully friendly team in place. As a branch, our core purpose is to feed into the prosperity of our local area, and I can confidently say that our team is fully prepared, energised, and ready to serve you. Whether assisting with everyday banking, supporting local businesses, or helping families achieve their financial goals, we are here to help.

Our Three-Point Focus

As a team, our daily interactions are guided by a clear, three-point focus:

- Helping our customers make money
- Saving money
- Keeping safe when banking online

This commitment is at the forefront of our minds in every conversation we have. With the ever-increasing scam and fraud activity we all face today, we believe that customer education is the absolute key to prevention. Taking this commitment beyond the branch doors, we are scheduled to run community educational sessions through U3A. These sessions will focus on both crucial fraud prevention strategies and wealth investment options to help ensure longevity of income for our customers.

Sharing Our Story

A major focus for us this year has been sharing our story with the community—celebrating both our rich history and our exciting future. To bring this to life, we launched initiatives such as our Meet The Locals campaign, proudly showcasing these stories through targeted social media advertising and vibrant new displays within the branch. These initiatives have sparked wonderful conversations and are a great reminder of the positive impact that banking locally has on Mallacoota.

Profit with Purpose

Our core philosophy is built on giving back, and we want everyone to see exactly what "Profit for Purpose" looks like in Mallacoota. Because our customers choose to bank with Community Bank Mallacoota, we are able to reinvest our profits directly into the community, providing support to a diverse range of local groups, clubs, and community initiatives. Seeing the direct impact of our shared success on these fantastic organisations is what the Community Bank model is all about.

Here to Stay

Late last year our branch underwent interior and exterior renovations, alongside the installation of fresh new signage. This investment was a deliberate and positive signal to our community that we are here to stay. Because our bank is owned by the community, every local who chooses to bank with Community Bank Mallacoota directly contributes to our shared success. With your ongoing support, we only grow stronger. These physical updates to our branch stand as a proud demonstration that this Community Bank is deeply rooted and here for the long haul.

Together We Are Stronger

In the spirit of broader community support, I have recently started working one day a week at Cann River to provide non-transactional banking services, as they currently do not have this facility in town. The response to this outreach has been overwhelmingly positive, and the residents are highly appreciative of the service. It has been wonderful to see how much they value the Community Bank model and their eagerness to support Community Bank Mallacoota in return. This initiative is a perfect reminder that small communities that work together are truly stronger together.

Looking Ahead

As we look to the year ahead, we do so with a capable, united team and a clear vision. We are excited to continue building on the relationships we've formed, delivering on our three-point focus, sharing our *"Profit for Purpose"* mission, and driving further positive outcomes for our customers and our broader community.

Thank you once again for your continued support. We look forward to seeing you in the branch soon.

Anne Spackman
Branch Manager

Sponsorship report

Our profits supporting our community

Our **Profit with Purpose model** enables Mallacoota Community Enterprises Limited (MCEL) to return a share of profits to the communities we serve. Through grants, sponsorships, donations and community initiatives, the success of our branch supports local organisations and creates opportunities for people of all ages.



Mallacoota and District Tool Library

MCEL provided grant funding to expand the Tool Library's range of equipment for community use. Purchases included a heavy-duty log splitter, carpet cleaner, whipper snipper and extension equipment, together with branded shirts. The new equipment supports the Tool Library's aim of providing affordable access to equipment for household maintenance and fuel-reduction activities.

Community Spirit in Action

Community Bank Mallacoota's annual Community Spirit Award recognises a young person who makes a positive contribution to our community. We were proud to recognise 13-year-old Louis Cooper-Dunne for his enthusiastic involvement in local sport, lifesaving and youth activities, and the community spirit he demonstrates through his participation.





Mallacoota P–12 College surfing team

A donation helped the Mallacoota P–12 College surfing team attend the Victorian State Schools Interschool Surfing Championships at Phillip Island. Competing against some of Victoria's best school teams, the students achieved an impressive fourth place overall. Participation also provided opportunities to connect with students from other schools, with older team members encouraged to lead and mentor younger students.

Sponsorship report (continued)

Mallacoota Pony Club

MCEL supported four young Mallacoota Pony Club riders to attend the Victorian Interschool Equestrian State Championships. Representing their school and community at state level, the riders demonstrated skill, sportsmanship and community spirit. This support reflects our commitment to helping young people participate in sport and pursue their goals.



Mallacoota Golf Club

Sponsorship helped the Mallacoota Golf Club deliver local competitions attracting residents and visitors. The Club provides opportunities for recreation and social connection, while contributing to the local visitor economy.



Community radio 3MGB

MCEL continued its longstanding support of community radio station 3MGB. Our contribution helps the station maintain its valuable role in sharing local content, providing emergency broadcasting and connecting people across Mallacoota and surrounding areas.



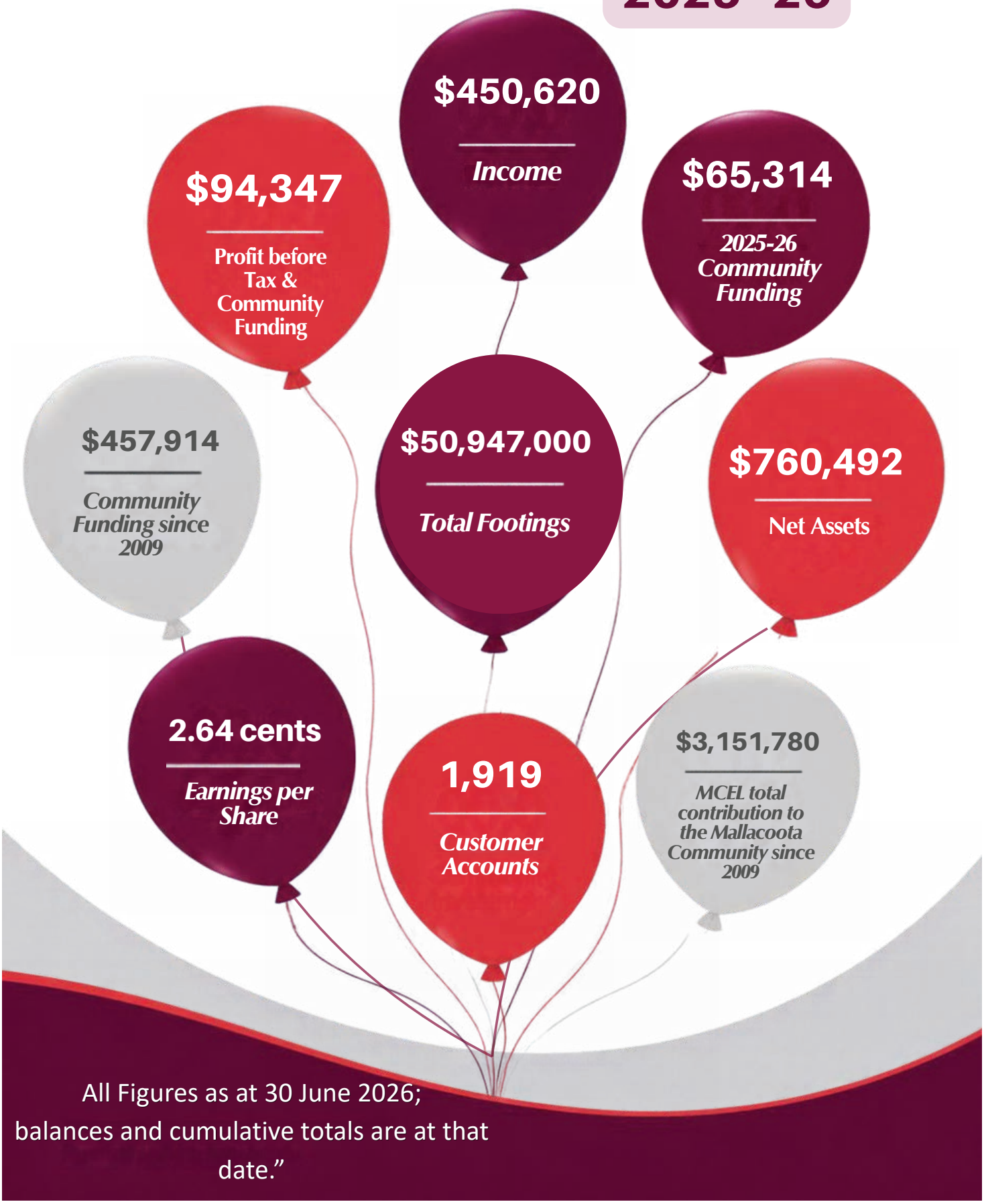
Mallacoota and District Angling Club

MCEL supported the Mallacoota & District Angling Club through sponsorship of its activities and funding to help purchase a trophy cabinet. Additional support contributed to the Club's Brag Mat, a practical fish-measuring mat that helps anglers measure and record their catches. These contributions support the Club's role in bringing people together through recreational fishing and recognising members' achievements.





Financial Highlights 2025 - 26



All Figures as at 30 June 2026; balances and cumulative totals are at that date."

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.

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 John Roberts
Title:	Non-executive Director
Experience and expertise:	Andrew has a degree in Business Studies from Swinburne and is a CPA. He has experience in both external and internal audit and has experience in IT Risk Management. He was also a year 2000 Project Manager. Andrew is on the Committee of the Youth and Sports Club (Tennis and Badminton) and is actively involved in many other community groups.
Special responsibilities:	Chairman, Treasurer, Finance Committee (Chair), Resilience Committee, Market Development Committee and Resources Committee.
Name:	Peter Edward Allan Giddings
Title:	Non-executive Director
Experience and expertise:	Retired technical school technology teacher. Holds a Diploma of Technical Teaching and a Graduate Diploma Education Training and Technology and past Chairman Technical Teachers Registration Board. Currently a committee member of Mallacoota & District Recovery Association.
Special responsibilities:	Secretary, Market Development Committee, Finance Committee and Resources Committee
Name:	Jill Wood-Ingram
Title:	Non-executive Director
Experience and expertise:	Worked as a teacher at Bairnsdale Secondary College, Foster Secondary School, Mallacoota P-12 College, finishing around 2012. Held community group committee positions at the pre school, Pony Club, School Council, Mallacoota Arts Council, Mallacoota and District Historical Society.
Special responsibilities:	Market Development Committee (Acting Chair), Finance Committee and Resources Committee.
Name:	Susan Gloury Nicolaou
Title:	Non-executive Director
Experience and expertise:	Susan has a degree in Human Resource Management and an MBA. Susan has experience in the construction and commercial real estate industries and was general manager for an international trading company. Prior to retiring, Susan ran her own family business and consultancy service. Susan is currently the Finance Officer for the Mallacoota SES and Secretary/Treasurer of the Mallacoota & District Historical Society.
Special responsibilities:	Market Development Committee, Finance Committee, Resilience Committee and Resources Committee.
Name:	Peter Jones
Title:	Non-executive Director *(appointed 24 November 2025)*
Experience and expertise:	Peter has a bachelors, honours equivalent, degree in Science from the University of Sydney. He became a member of the Institute of Training and Development and held senior roles in learning and development in Australia and overseas before starting his own consulting business, which he ran for 13 years. Peter is active on the Committees for the Mallacoota and District Tool Library and Mallacoota U3A.
Special responsibilities:	Resilience Committee (Chair), Finance Committee, Market Development Committee and Resources Committee.

Company secretary
The company secretary is Peter Edward Allan Giddings. Peter was appointed to the position of company secretary on 24 February 2017.

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 $21,679 (30 June 2025: $92,525).

Operations have continued to perform in line with expectations.

Dividends
Dividends paid during the period
The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2026 $	2025 $
Unfranked dividend of 6 cents per share (2025: nil cents)	49,279	-

Dividends provided for during the period
The following dividends were provided for during the prior reporting period as presented in the Statement of changes in equity.

	2026 $	2025 $
Unfranked dividend of nil cents per share (2025: 6 cents)	-	49,279

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.

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 John Roberts	11	10
Peter Edward Allan Giddings	11	10
Jill Wood-Ingram	11	10
Susan Gloury Nicolaou	11	10
Peter Jones	7	6

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.

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 John Roberts	1,000	-	1,000
Peter Edward Allan Giddings	500	-	500
Jill Wood-Ingram	-	-	-
Susan Gloury Nicolaou	-	250	250
Peter Jones	-	-	-

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 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 John Roberts
Chair

29 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 Mallacoota Community Enterprises Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2026

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Mallacoota Community Enterprises 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	429,288	456,460
Finance revenue	7	21,332	38,104
Total revenue		450,620	494,564
Employee benefits expense	8	(189,901)	(175,545)
Advertising and marketing costs		(3,583)	(1,515)
Occupancy and associated costs		(15,762)	(9,608)
System costs		(26,049)	(25,345)
Depreciation and amortisation expense	8	(51,938)	(50,419)
Loss on disposal of assets		(1,898)	-
Finance costs		(13,927)	(15,044)
General administration expenses		(53,215)	(56,917)
Total expenses before community contributions and income tax expense		(356,273)	(334,393)
Profit before community contributions and income tax expense		94,347	160,171
Charitable donations and sponsorships expense		(65,314)	(36,804)
Profit before income tax expense		29,033	123,367
Income tax expense	9	(7,354)	(30,842)
Profit after income tax expense for the year		21,679	92,525
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		21,679	92,525
		Cents	**Cents**
Basic earnings per share	26	2.64	11.27
Diluted earnings per share	26	2.64	11.27

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

Mallacoota Community Enterprises Limited
Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	10	30,311	30,779
Trade and other receivables	11	49,515	58,796
Investments	12	725,080	723,132
Current tax assets	9	25,791	-
Total current assets		830,697	812,707
Non-current assets			
Property, plant and equipment	13	60,737	61,825
Right-of-use assets	14	141,541	159,777
Intangible assets	15	39,132	53,362
Deferred tax assets	9	11,301	9,356
Total non-current assets		252,711	284,320
Total assets		1,083,408	1,097,027
Liabilities			
Current liabilities			
Trade and other payables	16	97,664	91,222
Lease liabilities	17	35,034	33,915
Current tax liabilities	9	-	4,307
Employee benefits	18	22,014	27,291
Total current liabilities		154,712	156,735
Non-current liabilities			
Trade and other payables	16	15,653	31,305
Lease liabilities	17	135,783	153,823
Employee benefits	18	277	1,011
Provision		16,491	15,340
Total non-current liabilities		168,204	201,479
Total liabilities		322,916	358,214
Net assets		760,492	738,813
Equity			
Issued capital	19	802,211	802,211
Retained earnings		48,625	26,946
Accumulated dividends		(90,344)	(90,344)
Total equity		760,492	738,813

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

Mallacoota Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2026

		Issued capital $	Accumulated dividends	Retained earnings $	Total equity $
Balance at 1 July 2024		802,211	(41,065)	(65,579)	695,567
Profit after income tax expense		-	-	92,525	92,525
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	92,525	92,525
Transactions with owners in their capacity as owners:					
Dividends provided for	20	-	(49,279)	-	(49,279)
Balance at 30 June 2025		802,211	(90,344)	26,946	738,813
Balance at 1 July 2025		802,211	(90,344)	26,946	738,813
Profit after income tax expense		-	-	21,679	21,679
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	21,679	21,679
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	20	-	-	-	-
Balance at 30 June 2026		802,211	(90,344)	48,625	760,492

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

Mallacoota Community Enterprises 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)		471,901	506,991
Payments to suppliers and employees (inclusive of GST)		(349,484)	(342,272)
Interest received		31,948	30,045
Income taxes paid		(39,397)	(22,869)
Net cash provided by operating activities	25	114,968	171,895
Cash flows from investing activities			
Investment in term deposits		(1,948)	(140,044)
Payments for property, plant and equipment	13	(14,635)	-
Payments for intangible assets		(14,230)	(14,230)
Net cash used in investing activities		(30,813)	(154,274)
Cash flows from financing activities			
Interest and other finance costs paid		(12,776)	(13,974)
Dividends paid	20	(49,279)	-
Repayment of lease liabilities		(22,568)	(20,438)
Net cash used in financing activities		(84,623)	(34,412)
Net decrease in cash and cash equivalents		(468)	(16,791)
Cash and cash equivalents at the beginning of the financial year		30,779	47,570
Cash and cash equivalents at the end of the financial year	10	30,311	30,779

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 Mallacoota Community Enterprises Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 57B Maurice Avenue, Mallacoota VIC 3892.

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

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

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

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

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

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

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 March 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 Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2026 $	2025 $
Margin income	390,878	420,843
Fee income	16,714	16,748
Commission income	21,696	18,869
	429,288	456,460

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

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

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.

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. Finance revenue

	2026 $	2025 $
Interest income	21,332	38,104

Finance income is recognised when earned using the effective interest rate method.

Note 8. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	161,704	149,993
Superannuation contributions	20,014	17,346
Expenses related to long service leave	1,181	1,857
Other expenses	7,002	6,349
	189,901	175,545

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	13,570	12,488
Plant and equipment	255	558
	13,825	13,046
Depreciation of right-of-use assets		
Leased land and buildings	23,883	23,144
Amortisation of intangible assets		
Franchise fee	2,372	2,371
Franchise renewal fee	11,858	11,858
	14,230	14,229
	51,938	50,419

Finance costs

	2026 $	2025 $
Lease interest expense	12,776	13,974
Unwinding of make-good provision	1,151	1,070
	13,927	15,044

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	65,314	36,804

Note 9. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	9,300	27,176
Movement in deferred tax	(1,946)	(1,666)
Recoupment of prior year tax losses	-	5,332
Aggregate income tax expense	7,354	30,842
Prima facie income tax reconciliation		
Profit before income tax expense	29,033	123,367
Tax at the statutory tax rate of 25%	7,258	30,842
Tax effect of:		
Non-deductible expenses	96	-
Income tax expense	7,354	30,842

Note 9. Income tax (continued)

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Employee benefits	5,573	7,076
Provision for lease make good	4,123	3,835
Accrued expenses	1,288	912
Income accruals	(2,528)	(5,181)
Lease liabilities	42,704	46,934
Right-of-use assets	(35,385)	(39,944)
Property, plant and equipment	(4,474)	(4,276)
Deferred tax asset	11,301	9,356

	2026 $	2025 $
Income tax refund due	25,791	-

	2026 $	2025 $
Provision for income tax	-	4,307

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

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

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

Note 10. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	30,311	30,779

Note 11. Trade and other receivables

	2026 $	2025 $
Trade receivables	33,648	33,332
Accrued income	10,108	20,724
Prepayments	5,759	4,740
	15,867	25,464
	49,515	58,796

Note 11. Trade and other receivables (continued)

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	49,515	58,796
Less prepayments, included in trade and other receivables	(5,759)	(4,740)
	43,756	54,056

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 $
Current assets		
Term deposits	678,001	677,981
Managed funds	47,079	45,151
	725,080	723,132

Note 13. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	212,960	209,684
Less: Accumulated depreciation	(158,118)	(154,009)
	54,842	55,675
Plant and equipment - at cost	49,043	49,043
Less: Accumulated depreciation	(43,148)	(42,893)
	5,895	6,150
	60,737	61,825

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2024	68,163	6,708	74,871
Depreciation	(12,488)	(558)	(13,046)
Balance at 30 June 2025	55,675	6,150	61,825
Additions	14,635	-	14,635
Disposals	(1,898)	-	(1,898)
Depreciation	(13,570)	(255)	(13,825)
Balance at 30 June 2026	54,842	5,895	60,737

Note 13. Property, plant and equipment (continued)

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

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

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

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

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

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

Note 14. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	301,654	296,006
Less: Accumulated depreciation	(160,113)	(136,229)
	141,541	159,777

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	178,212
Remeasurement adjustments	4,709
Depreciation expense	(23,144)
Balance at 30 June 2025	159,777
Additions	5,647
Depreciation expense	(23,883)
Balance at 30 June 2026	141,541

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 17 for more information on lease arrangements.

Note 15. Intangible assets

	2026 $	2025 $
Franchise fee	44,298	44,298
Less: Accumulated amortisation	(37,776)	(35,404)
	6,522	8,894
Franchise renewal fee	171,482	171,482
Less: Accumulated amortisation	(138,872)	(127,014)
	32,610	44,468
	39,132	53,362

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	11,265	56,326	67,591
Amortisation expense	(2,371)	(11,858)	(14,229)
Balance at 30 June 2025	8,894	44,468	53,362
Amortisation expense	(2,372)	(11,858)	(14,230)
Balance at 30 June 2026	6,522	32,610	39,132

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)	March 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2029

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

Note 16. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	51,818	-
Other payables and accruals	45,846	91,222
	97,664	91,222
Non-current liabilities		
Other payables and accruals	15,653	31,305
	113,317	122,527

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	113,317	122,527
less statutory payables, included in trade and other payables	(15,222)	(12,035)
	98,095	110,492

Note 17. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	35,034	33,915
Non-current liabilities		
Land and buildings lease liabilities	135,783	153,823
	170,817	187,738

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	187,738	203,467
Remeasurement adjustments	5,647	4,709
Lease interest expense	12,776	13,974
Lease payments - total cash outflow	(35,344)	(34,412)
	170,817	187,738

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:

Note 17. Lease liabilities (continued)

- 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	Reasonably certain to exercise options	Lease term end date used in calculations
Mallacoota branch	7.5%	5 years	1 x 3 years	Yes	March 2032

Note 18. Employee benefits

	2026 $	2025 $
Current liabilities		
Annual leave	11,571	18,763
Long service leave	10,443	8,528
	22,014	27,291
Non-current liabilities		
Long service leave	277	1,011
	22,291	28,302

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

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

Note 19. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	821,309	821,309	821,309	821,309
Less: Equity raising costs	-	-	(19,098)	(19,098)
	821,309	821,309	802,211	802,211

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.

Note 19. Issued capital (continued)

Rights attached to issued capital

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 266. As at the date of this report, the company had 277 shareholders (2025: 276 shareholders).

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

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

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

Note 19. Issued capital (continued)

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. Dividends

Dividends paid during the period
The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2026 $	2025 $
Unfranked dividend of 6 cents per share (2025: nil cents)	49,279	-

Dividends provided for during the period
The following dividends were provided for during the prior reporting period as presented in the Statement of changes in equity.

	2026 $	2025 $
Unfranked dividend of nil cents per share (2025: 6 cents)	-	49,279

Note 21. Financial risk management

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

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

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

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

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

	2026 $	2025 $
Financial assets		
Cash and cash equivalents (note 10)	30,311	30,779
Trade and other receivables excluding prepayments (note 11)	43,756	54,056
Investments (note 12)	678,001	677,981
	752,068	762,816
Financial assets at fair value through profit or loss		
Investments (note 12)	47,079	45,151
Financial liabilities at amortised cost		
Trade and other payables (note 16)	98,095	110,492
Lease liabilities (note 17)	170,817	187,738
	268,912	298,230

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

Note 21. Financial risk management (continued)

Accounting policy for financial instruments

Financial assets

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

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

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

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

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $30,311 and term deposits of $678,001 at 30 June 2026 (2025: $30,779 and $677,981).

Price risk
The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

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

The following are the remaining contractual maturities of financial liabilities. The 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	82,442	15,653	-	98,095
Lease liabilities	36,212	144,848	27,159	208,219
Total non-derivatives	118,654	160,501	27,159	306,314

Note 21. Financial risk management (continued)

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	79,187	31,305	-	110,492
Lease liabilities	35,055	140,220	61,346	236,621
Total non-derivatives	114,242	171,525	61,346	347,113

Note 22. Key management personnel disclosures

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

Andrew John Roberts
Peter Edward Allan Giddings
Susan Gloury Nicolaou
Jill Wood-Ingram
Peter Jones

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

There are no executives within the company whose remuneration is required to be disclosed.

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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

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

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

	2026 $	2025 $
During the prior period, a sponsorship was made to Mallacoota & District Recovery Association of which a director is a committee member. The total benefit provided was:	-	3,000
During the period sponsorship was made to Mallacoota Tool Library with which a director is affiliated. The total benefit provided was:	8,132	-

Note 24. Remuneration of auditors

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

	2026 $	2025 $
Audit services		
Audit or review of the financial statements	6,640	7,930
Other services		
Taxation advice and tax compliance services	290	265
General advisory services	4,325	4,080
Share registry services	7,067	5,244
	11,682	9,589
	18,322	17,519

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit after income tax expense for the year	21,679	92,525
Adjustments for:		
Depreciation and amortisation	51,938	50,419
Net loss on disposal of non-current assets	1,898	-
Lease liabilities interest	12,776	13,974
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	9,281	(2,317)
Increase in income tax refund due	(25,791)	-
Decrease/(increase) in deferred tax assets	(1,945)	3,666
Increase in trade and other payables	54,299	7,718
Increase/(decrease) in provision for income tax	(4,307)	4,307
Increase/(decrease) in employee benefits	(6,011)	533
Increase in other provisions	1,151	1,070
Net cash provided by operating activities	114,968	171,895

Note 26. Earnings per share

	2026 $	2025 $
Profit after income tax	21,679	92,525
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	821,309	821,309
Weighted average number of ordinary shares used in calculating diluted earnings per share	821,309	821,309
	Cents	**Cents**
Basic earnings per share	2.64	11.27
Diluted earnings per share	2.64	11.27

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

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. 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.

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 John Roberts
Chair

29 September 2026

Independent audit report

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

Independent auditor's report to the members of Mallacoota Community Enterprises Limited

Report on the Audit of the Financial Report

Our opinion

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

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

What we have audited

We have audited the financial report of the company, which comprises:

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

Basis for opinion

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

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

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

Other information

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2026

Joshua Griffin
Lead Auditor

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/communitybankmallacoota

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26090) (10/26)