Annual Report 2026

Mount Martha Community Enterprises Ltd









Community Bank Mount Martha

ABN 25 142 190 949

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Chair's report

For year ending 30 June 2026

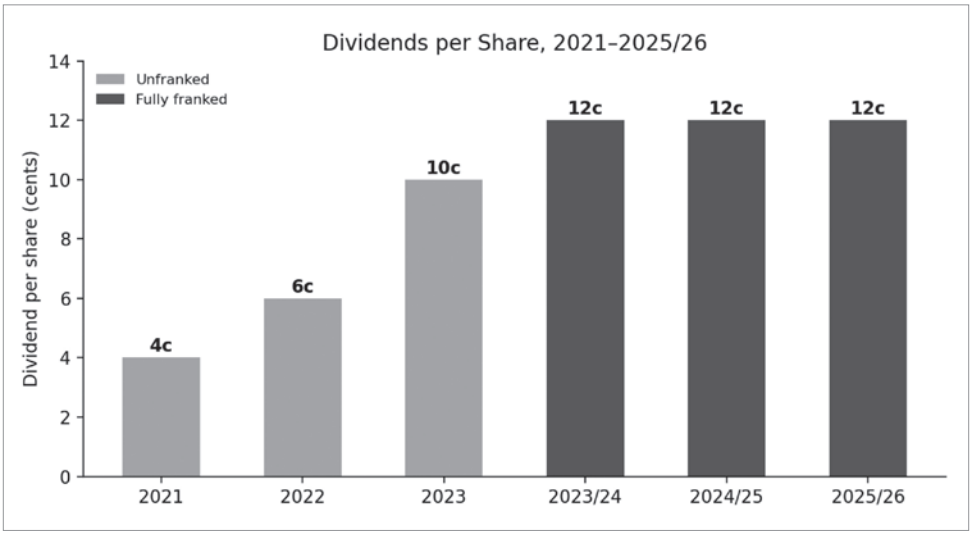
This past year has been one of real change for Mount Martha Community Enterprises Ltd change on our Board, change in our branch team, and change in the way we're planning for the future but through all of it the business itself has gone from strength to strength. It's been a genuinely good year, and I'm pleased to report it to you.

Financial Performance

Total operating revenue for the year came in at $1,515,125, up from $1,479,648 the year before, and net profit after tax rose to $220,476 up strongly on last year's $158,180. Cash and cash equivalents closed the year at $38,950, with a further $908,259 held in interest-bearing investments a combined cash and investment position of $947,209. Total assets grew to $1,694,360, and total equity to $1,012,650. These are solid numbers, and they reflect a branch that continues to perform well against its peers.

Our overall footings grew to $264.1 at 30 June 2026, up from $259m at 30 June 2025 and $245.7m at 30 June 2024 steady growth year on year.

The Board declared a dividend of 12 cents per share, fully franked, for the 2024/25 financial year, paid during the year under review. On 27 August 2026 the Board resolved to pay a further dividend of 12 cents per share, fully franked, for 2025/26, to be paid in late 2026 at a total value of $123,703.



*2021, 2022 and 2023 dividends were unfranked. The 2023/24, 2024/25 and 2025/26 dividends were fully franked.

Community Investment & Partnerships

Once again your bank has put real money back into this community. This year we contributed $189,552 through our Community Grants program, $180,224 in sponsorships and $22,191 in donations close to $392,000 in total flowing back to Mount Martha and the wider Peninsula.

Highlights of the year included our ongoing ten-year commitment to The Bays Cancer Care Centre Wellness Centre, a new three-year commitment of $30,000 a year to the Fresh Food Program at the Mornington Community Centre, funding for CFA Moorooduc's new hydrant project, and seventeen Stronger Community Grants totalling $73,547 awarded across fourteen local groups in January. We also marked fifteen years of Community Bank Mount Martha this year, with an eight-page feature in the Mornington News celebrating the community groups we've supported since day one, it was a great reminder of just how much this branch has given back over a decade and a half.

It was also a proud moment to be recognised with the Community Impact Award for 2025/26, for our contribution to The Bays Hospital a great acknowledgement of what this branch, and this community, has been able to achieve together.

Clubs and groups supported this year included:

- CFA Moorooduc — hydrant project funding
- Mornington Community Centre — Fresh Food Program (new 3-year commitment)
- The Bays Cancer Care Centre — ongoing 10-year sponsorship
- The Bays Hospital — ongoing support, recognised with the Community Impact Award.

This year's Stronger Community Grants round saw fourteen groups receive funding, totalling $73,547:

Recipient	Project	Amount
Alexander Park Project	5 x new flip tables	$3,000
Mornington Yacht Club	Rescue boat	$10,000
Mornington Civic Bowls Club	Outdoor kitchen	$5,000
Mount Martha Pre School	Playground shade sail	$5,000
New Peninsula Men's Shed	Twin drum sander	$5,000
Mornington PPI	Electric fabric cutter	$2,500
Mount Martha Yacht Club	Junior sailing boat motor	$5,000
Mornington Bowling Club	New outdoor seating	$5,447
Citizen Science Crew	Fieldwork trailer & equipment	$2,600
Mount Martha Bowls & Petanque Club	Audio & communications equipment	$5,000
Mount Martha Life Saving Club	New side-by-side vehicle	$5,000
Rotary Club of Mount Martha	Cages, 240-litre bins etc.	$5,000
Mount Martha Soccer Club	Clubhouse storage & equipment upgrade	$5,000
The Bays Hospital	New colonoscope	$10,000
	Total	**$73,547**

Governance & Compliance

The Board welcomed Tara Perkin as a Director in October 2025, and Byron Groves joined the Board in May 2026. Both bring fresh energy and perspective, and I look forward to working with them in the year ahead.

We also farewelled Colin Forsyth from the Board, who stepped down in June/July this year after 14 years of service. Colin has been part of this Board for the vast majority of its history, and his contribution over that time, across governance, finance and everything in between, has been enormous. On behalf of the Board and our shareholders, thank you, Colin.

We are also saying goodbye to Shane Pope, who is stepping down from the Board. Shane joined us in July 2022, started on the Marketing Committee and later moved across to the HR Subcommittee, where he made a real contribution. Shane has now moved closer to Melbourne, and we thank him for his dedication. On behalf of the Board and our shareholders, thank you, Shane.

We also said goodbye to Bronwyn Sanford, who finished up as our Board Administration Assistant after the April 2026 Board meeting. Bronwyn joined us in August 2021 and took the minutes at our Board meetings for nearly five years. Good minutes are the backbone of good governance, and hers were. On behalf of the Board, thank you, Bronwyn, for your contribution.

We renewed our franchise agreement with Bendigo and Adelaide Bank for a further five-year period expiring in April 2031, commissioned an independent review of our constitution against the current Bendigo pro-forma, and worked through a full suite of BEN-mandated compliance policies covering finance, fraud, HR, security and social media. It's not always visible work, but it matters, and I thank the Board for the time they've put into it.

People & Operations

Stacey has moved on from her role as Branch Manager this year, after almost 11 years with the branch. Stacey joined us on 5 October 2015. She took on the Manager's role at a genuinely difficult time with staff challenges and steadied the ship, recruiting and training a new team, holding the branch's standards through a lot of turnover, and doing it all with the kind of open, direct working relationship that made my job as Chair a lot easier. On behalf of the Board and our shareholders, thank you, Stacey. We wish you all the very best.

The team's hard work hasn't gone unnoticed elsewhere either. Mount Martha won the Regional Community Impact Award, a genuinely outstanding effort from everyone in the branch.

I'm pleased to say we have appointed Troy as our new Branch Manager, joining us in mid October. It was a rigorous recruitment process, and Troy stood out. He brings a wealth of branch experience, most recently from one of the big four banks, along with a growth mindset and a strong commitment to community engagement. I'm looking forward to introducing him to you, and I know the team will make him welcome.

Thank you to Gary, Amye and the rest of the branch team for everything you've put in this year, and thank you to our Board and our shareholders for continuing to back this business. I look forward to reporting further progress at next year's AGM.

Regards



Bruce Ranken
Chair – MMCEL

Manager's report

For year ending 30 June 2026

The 2025/2026 financial year presented a persistently high interest rate environment. Following a welcomed period of stability, we experienced three successive 25 basis point increases in February, March, and May of 2026, which ultimately lifted the cash rate from 3.60% to 4.35%. Despite the fluctuations, we are pleased to report that our overall income remained robust and resilient.

A key operational highlight this year was the successful implementation of new systems designed to enhance our home lending capabilities. These upgrades have significantly improved our turnaround times, allowing us to deliver a faster, simpler, and highly streamlined borrowing experience for our customers.

Most pleasingly, we achieved an exceptional customer growth rate of 13.59%. This strong metric is a testament to our ongoing community engagement initiatives. It clearly demonstrates that our local focus is resonating, and that our community is actively choosing to trust and bank with Community Bank Mount Martha.

Our portfolio grew by $4.60m, which was unfortunately short of our $10.00m target. However, our lending portfolio demonstrated highly robust growth—a significant achievement given the challenging market conditions. While the Victorian Homebuyer Fund (VHF) shared equity scheme concluded early in the financial year, its closure had a minimal impact on our performance, as our primary market consists of customers upgrading their homes. Conversely, deposit retention remained a key challenge throughout the year, as we were unable to match some of the aggressive high-rate offers available in the open market.

FOOTINGS			
Actual Growth Year on Year	**Balance 2025 $M**	**Balance 2026 $M**	**Variance $M**
Deposits	$157.57	$150.96	($6.61)
Loans	$101.46	$112.67	$11.21
Other Wealth Products	$0.00	$0.00	$0.00
	$259.03	**$263.63**	**$4.60**

GROWTH			
Actual Growth versus Budget	**Budget Growth 2026 $M**	**Actual Growth 2026 $M**	**Variance $M**
Deposits	$9.00	($6.61)	($15.61)
Loans	$1.00	$11.21	$10.21
Other Wealth Products	$0.00	$0.00	$0.00
	$10.00	**$4.60**	**($5.40)**

During the 2025/2026 financial year, Community Bank Mount Martha experienced a positive evolution in our staffing structure. By embracing flexible work options, we were pleased to expand our team and welcome Danni in August 2025 and Fiona in January 2026.

We extend our sincere gratitude to our dedicated staff for their ongoing commitment. This year, we celebrate significant service milestones for several team members: Narelle (12 years in February 2026), Amye (5 years in May 2026), and Jen (2 years in April 2026). Their continued support is invaluable to our success.

Manager's report (continued)

Our commitment to the community has remained a top priority. Our Community Liaison Officer, Gary , worked to support over 65 local organisations through sponsorships, donations, and grants. These contributions have benefited a diverse range of new and existing groups, touching every age demographic in our community. We are proud to announce that Community Bank Mount Martha's total contributions to the community have now reached $2,000,000.

As my tenure with Community Bank Mount Martha concludes on 16 September 2026, after nearly eleven years of service, I am proud of the significant milestones we have achieved together. I have had the privilege of seeing the bank's assets grow from $115 million to $263 million while our annual community contributions increased from $25,000 to over $400,000 per year. These figures represent more than financial success; they represent our unwavering commitment to the community. Beyond the numbers, it has been an honour to share in the lives of our customers—celebrating with their growing families and offering support during times of loss. I leave with a great sense of fulfillment and gratitude for my time here



Stacey Wakeman
Outgoing Branch Manager

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:	Bruce Blackwood Ranken
Title:	Non-executive director
Experience and expertise:	Bruce has over 25 years experience in Human Resources, recruitment and staffing industry, having led large, high-performing teams across Australia. Currently serving as Head of Strategic Accounts for a global recruitment firm, Bruce is responsible for the strategic direction and management of three of the company's largest national clients. His expertise lies in delivering value-driven workforce solutions and fostering long-term partnerships at scale. Bruce also has extensive experience in local government. He is a former Councillor at Nillumbik Shire Council, where he held key leadership roles including Deputy Mayor, Chair of Finance and Governance, Chair of Social Infrastructure, and member of the Audit and Risk Committee. Currently Bruce serves as a Councillor for the Mornington Peninsula Shire, representing the Moorooduc Ward, and continues firm commitment to strong governance as a member of the Audit and Risk Committee.
Special responsibilities:	Chairman and Chair of Human Resources Committee
Name:	Colin Stanley Forsyth
Title:	Non-executive director
Experience and expertise:	Colin has an accounting diploma and has worked at Bluescope Steel for 30 years where he predominantly worked in management accounting roles. He was also a director and member of the audit committee of the Lysaght Credit Union during that time.
Special responsibilities:	Member of Asset and Finance Committee
Name:	Wilfred John Schubert
Title:	Non-executive director
Experience and expertise:	Operated a newsagency with Tattslotto Licence and Post Office. Banking experience with Resi State and Heine Management.
Special responsibilities:	Chair Marketing & Promotions Committee
Name:	Matt Neil Forsyth
Title:	Non-executive director
Experience and expertise:	Matt is a qualified accountant and has been working primarily in tax accounting since 2018.
Special responsibilities:	Treasurer and member of the Asset and Finance Committee

Name:	Martyn George Baker
Title:	Non-executive director
Experience and expertise:	Martyn moved to the Mornington Peninsula in 1995 from London with his bride-to-be Lisa, a Melbourne nurse and midwife. They met while travelling in Los Angeles in 1992 and Lisa moved to London later that year. Martyn decided to change his career from communications engineer to hospitality and worked in and managed several venues in Sorrento and Portsea. They purchased Mount Martha Fine Foods in the village in 1997 and two years later moved from McCrae to Mount Martha. They successfully ran the business for 21 years before selling to two staff members one of which was their eldest son Ned who has carried on the tradition of great food and coffee. Over his time here Martyn has been involved with the Mount Martha Tennis Club for 16 years and his two sons Ned and Tom have played cricket, footy, tennis and soccer locally. So many years were spent on the sidelines at Ferrero Reserve and the Tennis Club. Martyn was involved in helping to get the bank off the ground by procuring the original premises along with several other concerned traders in Mount Martha. Now retired Martyn looks forward to assisting the Board in any way he can and giving back to the local community that has supported him in life and business.
Special responsibilities:	Marketing and Promotions Committee

Name:	Shane Anthony Pope
Title:	Non-executive director
Experience and expertise:	Shane is a fully licensed Real Estate Agent, who has been self-employed for 10 years in multiple businesses. He joins us from his post at South Mornington Football Club where in the years past he has served as President and currently a Board Member. Having grown up in the Peninsula, it is a place he is proud to call home. Locally schooled and now living back in his home suburb of Mount Eliza, he is keen to be of great value to the local and broader community and particularly the bank and its noble community and charitable engagements.
Special responsibilities:	Human Resources and Risk Committee

Name:	Charles Adam Smitheram
Title:	Non-executive director
Experience and expertise:	Charles has over 30 years' experience as a senior manager in corporate finance, treasury and investor relations for ASX listed companies. He also spent several years as a director and company secretary of a family owned residential and commercial property development company. He has a Bachelor of Commerce from Melbourne University and is a Certified Finance and Treasury Professional. Charles moved to Mount Eliza in 2005 and since then has been active on management committees for kindergartens, schools and children's sporting clubs in the Mount Eliza area.
Special responsibilities:	Chair of Asset and Finance Committee

Name:	Philip Joseph Fitzpatrick
Title:	Non-executive director
Experience and expertise:	Philip is an 18 year resident of Mount Martha and has worked around the world as a quantity surveyor and builder. Philip has been involved with many not-for-profit organisations promoting young people in the construction industry and working with homeless charities to find real solutions. Philip has 3 adult children living in Mount Martha and 8 grandchildren attending local schools. Philip is the author of 2 best-selling construction books with a 3rd scheduled for release this year.
Special responsibilities:	Marketing and Promotions Committee

Name:	Jennifer Eickmeyer Spicer
Title:	Non-executive director
Experience and expertise:	Jenny is a lawyer with over 20 years of legal experience and has built a career in private practice and as in-house legal counsel. Jenny was a Senior Associate at Roberts Beckwith Partners for many years before transitioning to a role as Senior Legal Counsel with a digital lender, where she expanded her skillset in property law, banking and finance, risk management, and regulatory compliance. She holds Science and Law (Honours) degrees from Monash University. Jenny has completed Governance of Australia courses tailored for corporate governance professionals. Jenny is keen to leverage her skills to support the bank's mission and contribute to its growth. Having been raised, educated, and still residing on the Mornington Peninsula, Jenny is particularly inspired by the bank's character of giving back to the local community. When not immersed in her professional responsibilities, Jenny indulges her spirit of curiosity and exploration by planning her next travel adventures. Jenny brings knowledge, a strong ethical foundation, and a genuine commitment to community values to her role on the board.
Special responsibilities:	Nil

Name:	Tammie Coady
Title:	Non-executive director
Experience and expertise:	Tammie Coady is a fully licensed real estate agent with 9 years of industry experience and a former small business owner. A lifelong local, Tammie has lived in and around Mount Martha for over 40 years, giving her a deep understanding of the community and its people. With two teenage daughters, aged 16 and 18, Tammie began volunteering with local groups when her children were young, including the Mount Martha Life Saving Club, Mount Martha Preschool, and Mount Martha Primary School. She now looks forward to contributing as a board member of MMCE, seeing it as a great avenue to give back to the community and help raise awareness of the positive impact it creates through its support of local initiatives.
Special responsibilities:	Nil

Name:	Tara Jean Perkin
Title:	Non-executive director *(appointed 30 October 2025)*
Experience and expertise:	Experience in business management, governance and emergency communications; Director of Perkin Projects; Business Manager at Perkin Electrical, specialising in strategic planning and stakeholder relationships; previously an Emergency Communications Officer for Triple Zero (000).
Special responsibilities:	Nil

Name:	Byron Aubrey Groves
Title:	Non-executive director *(appointed 27 May 2026)*
Experience and expertise:	General Manager of St. John's Retirement Village (Somerville) since 2023 and Company Director of the Village since 2005. Past experience: Business Manager at New Peninsula Baptist Church, Business Manager at Flinders Christian Community College and Chief Executive Officer of a Retirement Village, Aged Care Nursing Home and Welfare Agency. Prior to those roles, had 27 years in Banking and Finance, predominantly with the Commonwealth Bank. Member and office bearer of numerous community and Christian organisations over many years. Member of the Rotary Club of Mount Martha since 2008, including as an office bearer during this time, also a member of New Peninsula Mount Martha Men's Shed since 2016, including as an office bearer during this time. Has an Advanced Diploma in Accounting.
Special responsibilities:	Member of Asset and Finance Committee

Company secretary
The company secretary is Wilfred John Schubert. Wilfred was appointed to the position of company secretary on 18 November 2021.

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 $220,476 (2025: $158,180).

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 12 cents per share (2025: 12 cents)	123,703	123,703

Significant changes in the state of affairs
During the period, the company renewed its franchise agreement with Bendigo Bank for a further five-year period expiring in April 2031. The renewal has been recognised as an intangible asset for $72,112.

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

Matters subsequent to the end of the financial year
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.

On 27 August 2026, the Board made a formal resolution to pay a dividend of 12 cents per share, fully franked at 25% company tax rate. The dividend will be paid in late 2026, at a total value of $123,703.

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

	Board	
	Eligible	Attended
Bruce Blackwood Ranken	12	12
Colin Stanley Forsyth	12	12
Wilfred John Schubert	12	12
Matt Neil Forsyth	12	10
Martyn George Baker	12	8
Shane Anthony Pope	12	7
Charles Adam Smitheram	12	12
Philip Joseph Fitzpatrick	12	11
Jennifer Eickmeyer Spicer	12	12
Tammie Coady	12	10
Tara Jean Perkin	10	10
Byron Aubrey Groves	3	3

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 22 or note 23 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
Bruce Blackwood Ranken	-	-	-
Colin Stanley Forsyth	-	-	-
Wilfred John Schubert	-	-	-
Matt Neil Forsyth	2,000	-	2,000
Martyn George Baker	22,000	-	22,000
Shane Anthony Pope	-	-	-
Charles Adam Smitheram	-	-	-
Philip Joseph Fitzpatrick	22,390	-	22,390
Jennifer Eickmeyer Spicer	-	-	-
Tammie Coady	-	-	-
Tara Jean Perkin	-	-	-
Byron Aubrey Groves	5,000	-	5,000

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



Bruce Blackwood Ranken
Chairman

26 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 Mount Martha Community Enterprises Ltd

As lead auditor for the audit of Mount Martha Community Enterprises Ltd 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: 26 September 2026

Lachlan Tatt
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Mount Martha Community Enterprises Ltd
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	1,515,125	1,479,648
Finance revenue		48,612	27,315
Total revenue		1,563,737	1,506,963
Employee benefits expense	7	(578,346)	(620,091)
Advertising and marketing costs		(34,062)	(40,118)
Occupancy and associated costs		(19,730)	(23,809)
System costs		(30,983)	(29,181)
Depreciation and amortisation expense	7	(71,982)	(80,405)
Finance costs	7	(32,401)	(22,402)
General administration expenses		(108,939)	(92,857)
Total expenses before community contributions and income tax expense		(876,443)	(908,863)
Profit before community contributions and income tax expense		687,294	598,100
Charitable donations, sponsorships and grants expense	7	(391,967)	(385,910)
Profit before income tax expense		295,327	212,190
Income tax expense	8	(74,851)	(54,010)
Profit after income tax expense for the year		220,476	158,180
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		220,476	158,180
		Cents	**Cents**
Basic earnings per share	26	21.39	15.34
Diluted earnings per share	26	21.39	15.34

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

Mount Martha Community Enterprises Ltd
Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	38,950	53,253
Trade and other receivables	10	160,720	137,711
Investments	11	908,259	799,405
Total current assets		1,107,929	990,369
Non-current assets			
Property, plant and equipment	12	110,660	129,676
Right-of-use assets	13	368,853	408,697
Intangible assets	14	68,506	9,516
Deferred tax assets	8	38,412	38,833
Total non-current assets		586,431	586,722
Total assets		1,694,360	1,577,091
Liabilities			
Current liabilities			
Trade and other payables	15	97,230	103,186
Lease liabilities	16	55,056	53,453
Current tax liabilities	8	6,984	802
Employee benefits	17	62,996	73,321
Total current liabilities		222,266	230,762
Non-current liabilities			
Trade and other payables	15	47,594	-
Lease liabilities	16	375,794	401,127
Employee benefits	17	23,155	17,314
Provisions		12,901	12,011
Total non-current liabilities		459,444	430,452
Total liabilities		681,710	661,214
Net assets		1,012,650	915,877
Equity			
Issued capital	18	1,002,892	1,002,892
Retained earnings/(accumulated losses)		9,758	(87,015)
Total equity		1,012,650	915,877

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

Mount Martha Community Enterprises Ltd
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		1,002,892	(121,492)	881,400
Profit after income tax expense		-	158,180	158,180
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	158,180	158,180
Transactions with owners in their capacity as owners:				
Dividend provided for or paid	20	-	(123,703)	(123,703)
Balance at 30 June 2025		1,002,892	(87,015)	915,877
Balance at 1 July 2025		1,002,892	(87,015)	915,877
Profit after income tax expense		-	220,476	220,476
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	220,476	220,476
Transactions with owners in their capacity as owners:				
Dividend provided for or paid	20	-	(123,703)	(123,703)
Balance at 30 June 2026		1,002,892	9,758	1,012,650

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

Mount Martha Community Enterprises Ltd
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,655,292	1,632,315
Payments to suppliers and employees (inclusive of GST)		(1,333,843)	(1,269,017)
Interest received		33,868	33,682
Income taxes paid		(67,400)	(42,935)
Net cash provided by operating activities	25	287,917	354,045
Cash flows from investing activities			
Payment for investments		(108,854)	(133,658)
Payments for intangible assets		(14,422)	(12,871)
Net cash used in investing activities		(123,276)	(146,529)
Cash flows from financing activities			
Interest and other finance costs paid		(31,511)	(21,769)
Dividends paid	20	(123,703)	(123,703)
Repayment of lease liabilities		(23,730)	(31,862)
Net cash used in financing activities		(178,944)	(177,334)
Net increase/(decrease) in cash and cash equivalents		(14,303)	30,182
Cash and cash equivalents at the beginning of the financial year		53,253	23,071
Cash and cash equivalents at the end of the financial year	9	38,950	53,253

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 Mount Martha Community Enterprises Ltd (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:

Registered office	Principal place of business
74 Dandenong Road West, Frankston VIC 3199	Shop 6, 34-38 Lochiel Avenue, Mount Martha VIC 3934

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

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

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

Judgements

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

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

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 S & P Global, 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.

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

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

Estimates and assumptions

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

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

Note 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 April 2031.

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2026 $	2025 $
Margin income	1,327,051	1,289,212
Fee income	47,871	55,398
Commission income	140,203	135,038
	1,515,125	1,479,648

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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates and funds transfer pricing.

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.

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. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	479,703	514,526
Non-cash benefits	2,521	(900)
Superannuation contributions	60,570	54,262
Expenses related to long service leave	6,364	7,895
Other expenses	29,188	44,308
	578,346	620,091

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	14,146	16,321
Plant and equipment	4,870	7,361
	19,016	23,682
Depreciation of right-of-use assets		
Leased land and buildings	39,844	43,224
Amortisation of intangible assets		
Franchise fee	2,187	283
Franchise renewal process fee	10,935	13,216
	13,122	13,499
	71,982	80,405

Note 7. Expenses (continued)

Finance costs

	2026 $	2025 $
Lease interest expense	31,511	21,769
Unwinding of make-good provision	890	633
	32,401	22,402

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	391,967	385,910

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).

Note 8. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	74,430	64,854
Movement in deferred tax	421	(10,844)
Aggregate income tax expense	74,851	54,010
Prima facie income tax reconciliation		
Profit before income tax expense	295,327	212,190
Tax at the statutory tax rate of 25%	73,832	53,048
Tax effect of:		
Non-deductible expenses	1,019	962
Income tax expense	74,851	54,010

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Employee benefits	21,538	22,659
Lease liabilities	107,713	113,645
Provision for lease make good	3,225	3,003
Accrued expenses	2,085	1,950
Income accruals	(3,936)	(250)
Right-of-use assets	(92,213)	(102,174)
Deferred tax asset	38,412	38,833

Note 8. Income tax (continued)

	2026 $	2025 $
Provision for income tax	6,984	802

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 9. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	38,950	53,253

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	129,852	118,507
Other receivables and accruals	25,743	13,649
Prepayments	5,125	5,555
	30,868	19,204
	160,720	137,711

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	160,720	137,711
Less prepayments, included in trade and other receivables	(5,125)	(5,555)
	155,595	132,156

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

Note 11. Investments

	2026 $	2025 $
Current assets		
Term deposits	406,322	391,000
Managed funds	501,937	408,405
	908,259	799,405

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	199,929	199,929
Less: Accumulated depreciation	(107,956)	(93,810)
	91,973	106,119
Plant and equipment - at cost	58,119	58,119
Less: Accumulated depreciation	(39,432)	(34,562)
	18,687	23,557
	110,660	129,676

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	122,440	30,918	153,358
Depreciation	(16,321)	(7,361)	(23,682)
Balance at 30 June 2025	106,119	23,557	129,676
Depreciation	(14,146)	(4,870)	(19,016)
Balance at 30 June 2026	91,973	18,687	110,660

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 diminishing value and 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	7.5 years
Plant and equipment	2.5 to 7.5 years

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

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

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

Note 13. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	625,072	625,072
Less: Accumulated depreciation	(256,219)	(216,375)
	368,853	408,697

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	291,387
Additions	160,534
Depreciation expense	(43,224)
Balance at 30 June 2025	408,697
Depreciation expense	(39,844)
Balance at 30 June 2026	368,853

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 $	2025 $
Franchise fee	43,889	31,870
Less: Accumulated amortisation	(32,471)	(30,284)
	11,418	1,586
Franchise renewal fee	169,442	109,349
Less: Accumulated amortisation	(112,354)	(101,419)
	57,088	7,930
	68,506	9,516

Note 14. Intangible assets (continued)

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	1,869	21,146	23,015
Amortisation expense	(283)	(13,216)	(13,499)
Balance at 30 June 2025	1,586	7,930	9,516
Additions	12,019	60,093	72,112
Amortisation expense	(2,187)	(10,935)	(13,122)
Balance at 30 June 2026	11,418	57,088	68,506

Additions
During the financial year the franchise agreement was renewed, with the franchise fees being amortised over 5 years until April 2031.

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)	April 2031
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2031

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

Note 15. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	1,679	1,629
Other payables and accruals	95,551	101,557
	97,230	103,186
Non-current liabilities		
Other payables and accruals	47,594	-
	144,824	103,186

Note 15. Trade and other payables (continued)

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables	144,824	103,186
Less statutory payables, included in trade and other payables	(42,476)	(56,449)
	102,348	46,737

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	55,056	53,453
Non-current liabilities		
Land and buildings lease liabilities	375,794	401,127
	430,850	454,580

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	454,580	325,218
Remeasurement adjustment	-	161,224
Lease interest expense	31,511	21,769
Lease payments - total cash outflow	(55,241)	(53,631)
	430,850	454,580

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	Reasonably certain to exercise options	Lease term end date used in calculations
Mount Martha Branch	7.41%	10 years	3 x 5 years	1 x 5 years - Yes 2 x 5 years - No	September 2035

Note 17. Employee benefits

	2026 $	2025 $
Current liabilities		
Annual leave	38,672	49,520
Long service leave	24,324	23,801
	62,996	73,321
Non-current liabilities		
Long service leave	23,155	17,314
	86,151	90,635

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

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

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

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	1,030,855	1,030,855	1,030,855	1,030,855
Less: Equity raising costs	-	-	(27,963)	(27,963)
	1,030,855	1,030,855	1,002,892	1,002,892

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

Rights attached to issued capital

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

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

Note 18. Issued capital (continued)

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 274. As at the date of this report, the company had 287 shareholders (2025: 283 shareholders).

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

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

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

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

Note 19. Capital management

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

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

Note 19. Capital management (continued)

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 20. Dividends

Dividends provided for and paid during the period
The following dividends were declared 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 12 cents per share (2025: 12 cents)	123,703	123,703

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	140,085	138,384
Franking credits (debits) arising from income taxes paid (refunded)	67,400	42,935
Franking debits from the payment of franked distributions	(41,234)	(41,234)
	166,251	140,085
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	166,251	140,085
Franking credits (debits) that will arise from payment (refund) of income tax	23,845	16,815
Franking credits available for future reporting periods	190,096	156,900

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

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

Note 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:

Note 21. Financial risk management (continued)

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

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

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	38,950	53,253
Trade and other receivables excluding prepayments (note 10)	155,595	132,156
Investments (note 11)	406,322	391,000
	600,867	576,409
Financial assets at fair value through profit and loss		
Investments (note 11)	501,937	408,405
Financial liabilities		
Trade and other payables (note 15)	102,348	46,737
Lease liabilities (note 16)	430,850	454,580
	533,198	501,317

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 Sandhurst managed funds over which the company does not have significant influence nor control.

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

Note 21. 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 $38,950 and investments of $908,259 at 30 June 2026 (2025: $53,253 and $799,405).

Price risk
The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

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	54,754	47,594	-	102,348
Lease liabilities	56,897	245,178	294,100	596,175
Total non-derivatives	111,651	292,772	294,100	698,523

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	46,737	-	-	46,737
Lease liabilities	55,240	238,037	358,139	651,416
Total non-derivatives	101,977	238,037	358,139	698,153

Note 22. Key management personnel disclosures

The following persons were directors of Mount Martha Community Enterprises Ltd during the financial year:

Bruce Blackwood Ranken
Matt Neil Forsyth
Martyn George Baker
Colin Stanley Forsyth
Wilfred John Schubert
Byron Aubrey Groves
Philip Joseph Fitzpatrick
Jennifer Eickmeyer Spicer
Shane Anthony Pope
Charles Adam Smitheram
Tammie Coady
Tara Jean Perkin

Note 22. Key management personnel disclosures (continued)

Compensation
Key management personnel compensation comprised the following:

	2026 $	2025 $
Short-term employee benefits	67,500	59,583
Post-employment benefits	7,760	6,852
	75,260	66,435

Compensation of the company's key management personnel includes salaries and superannuation.

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 year, the company provided sponsorships, community grants and marketing support to entities for which a director, or a close family member of a director, also served as a board or committee member.	25,361	3,000

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	8,553	8,230
Other services		
General advisory services	3,548	3,445
Share registry services	8,093	6,173
	11,641	9,618
	20,194	17,848

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	220,476	158,180
Adjustments for:		
Depreciation and amortisation	71,982	80,405
Lease liabilities interest	31,511	21,769
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(23,009)	18,070
Decrease in current tax assets	-	37,870
Decrease/(increase) in deferred tax assets	421	(10,844)
Increase/(decrease) in trade and other payables	(16,052)	21,697
Increase in current tax liabilities	6,182	802
Increase/(decrease) in employee benefits	(4,484)	25,463
Increase in provisions	890	633
Net cash provided by operating activities	287,917	354,045

Note 26. Earnings per share

	2026 $	2025 $
Profit after income tax	220,476	158,180
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,030,855	1,030,855
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,030,855	1,030,855
	Cents	**Cents**
Basic earnings per share	21.39	15.34
Diluted earnings per share	21.39	15.34

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.

Note 29. Events after the reporting period (continued)

On 27 August 2026, the Board made a formal resolution to pay a dividend of 12 cents per share, fully franked at 25% company tax rate. The dividend will be paid in late 2026, at a total value of $123,703.

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; and
- 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; and
- 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; and
- 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



Bruce Blackwood Ranken
Chairman

26 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 Mount Martha Community Enterprises Ltd

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Mount Martha Community Enterprises Ltd (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, and
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
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

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: 26 September 2026

Lachlan Tatt
Lead Auditor

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Community Bank · Mount Martha
Shop 6, 34-38 Lochiel Avenue, Mount Martha VIC 3934
Phone: 03 5974 4518
Email: mountmarthamailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/mount-martha

Franchisee: Mount Martha Community Enterprises Ltd
ABN: 25 142 190 949
PO Box 288, Mount Martha VIC 3934
Phone: 03 5974 4518
Email: mountmarthamailbox@bendigoadelaide.com.au

Share Registry: AFS & Associates Pty Ltd
61 Bull Street, Bendigo VIC 3550
PO Box 454, Bendigo VIC 3552
Phone: 03 5443 0344
Email: shareregistry@afsbendigo.com.au
www.afsbendigo.com.au

/communitybankmountmartha

Bendigo Bank

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