



**Community Bank Pambula Branch**

**Community Bank Bega Branch**

**ABN 27 128 796 458**

# 2026

# Annual Report



**Pambula & District  
Community Development Limited**

Franchisee Pambula and Bega  
Community Bank Branches, Bendigo and Adelaide Bank  
ABN 27 128 796 458

# Annual Report 2026

Presented to the **Annual General Meeting**,  
Wednesday 11 November 2026, 6.00pm  
at the Pambula CWA Rooms

## **Contents**

Chairman's Report

Finance Committee Chair's Report

Senior Manager's Report

Supporting our Community

Corporate Governance Statement

Financial Statements

- Directors' Report
- Financials
- Notes to the Financial Statements
- Independent Auditor's Report

# Chair's Report 2026

I am pleased to present the Chair's report for the 2025/26 financial year.

Our company has now been operating for 19 years with the Pambula branch opening in 2008 and the Bega branch has operated for eleven years

We're proud of what we've achieved. Our company exists for two reasons: to provide banking services and to generate returns which we can use to support our communities through grants and donations. We established the Pambula Branch to provide banking services in the town after the last of the major banks left town. Since that time Pambula has gone ahead in leaps and bounds and we believe that we've contributed to the town's prosperity.

We established the Bega branch because we saw an opportunity to grow, become stronger as a company and be able to better support our communities and we are achieving this.

We're strongly committed to great customer service. Unlike many banks in rural areas, we're open five days per week for the full day and our Pambula branch is open on Saturday mornings. In a time of cost-cutting and reduced face-to-face customer service we reckon our convenient opening hours and our committed, friendly and highly skilled staff make us different in a good way.

From nothing in 2008, we now have over 6000 customers and are responsible for substantial customers loans and deposits. Importantly we have given back over \$2m in grants and donations in this time.

The 2025/26 financial year was a solid year for the company. We incurred a pre-tax loss of \$2064 compared to a loss of \$34289 for the previous year. In saying this we made a profit from operations of \$239,208 before grants and donations of \$241,272. This included a \$100,000 contribution to Bendigo Banks Community Enterprise Foundation which is available to be distributed to our community at a later date.

Phil Smith and his team continue to be highly effective in managing our banking operations. As banking changes from predominately over-the-counter transactional to more value-adding for customers, our staff need new skills and qualifications. Our staff are embracing this change.

I take this opportunity to acknowledge our hardworking Board. It has been a challenging year made much easier because of the positive and collegiate approach of each of our board members.

**Tim Shepherd**

**Chair**

# Finance Committee Chair's Report

## Finance Report

The company's financial performance during 2025/26 was slightly better than the previous year largely due to slightly lower total revenues and lower total expenditure.

Total revenue was 1.80% lower than 2024/25, while total expenditure before community grants and tax was 6.56% lower.

The company paid a 5 cents fully franked dividend on the back of the 2024/25 results. A decision has not yet been made on the 2024/25 dividend.

## Revenue

Revenue from Contracts with Customers in 2025/26 averaged \$160,447 per month compared to \$158,908 per month across 2024/25. This change was primarily due to slightly higher margins on our customers' deposits and loans, particularly in the second half of the year.

## Expenses

Total expenses before community contributions and income tax fell by 1.80% in 2025/26 compared to 2024/25. Employment benefits expenses fell by 10.03% compared to the previous year with the retirement of several long term employees.

Charitable donations and sponsorships remained a focus for the company in 2025/26, with \$241,272 injected back into the local economy through our grants program which is 28.21% higher than the previous year.

## Profit or Loss

The profit before community contributions and income tax for 2025/26 was \$239,208 compared to \$153,889 for the previous year.

The loss before tax for 2025/26 was \$2,064 compared to a pre-tax loss of \$34,289 in the previous year.

## Financial Position (Liquidity)

In 2025/26 current assets of the Company amounted to 56.77% as a proportion of total assets. By comparison, in 2024/25 it was 55.85%.

As at 30 June 2026 the Company had a current ratio (current assets divided by current liabilities) of 2.73, which is the same as at 30 June 2025. This ratio shows that the Company remains in a positive liquidity position.

## Financial Governance - Cash Management

During 2024/25, the Board continued to use its risk management framework and cash management policy to ensure funds security and adequate ready cash reserves.

## Colleagues

My thanks go to my Board colleagues on the Finance Committee for their contributions during the year and to Graham Stubbs, Leea Ferris and Robyn Morillas for their continuing services to the company.

**Colin Dunn**

**Chair Finance Committee**

# Senior Managers Report

2025-26 was a mixed year for the Community Banking industry. The loan market was slow in our area of operation, while our deposits stayed relatively strong across both of our branches at Community Bank Pambula & District and Community Bank Bega.

Our continued commitment to return profits to our community continues to be a major focus for all our staff and Board members, particularly when times are tough in our community. This local commitment, combined with a full range of competitive products and services delivered by our team of local staff continues to hold us in a favorable light with the community.

The coming year is looking to continue to be challenging but we are in a strong position to grow our business once again in a steady fashion from its current solid base due to continued community support. In turn we continue to support our community with unrivaled face-to-face service at both of our branches at Community Bank Pambula & District and Community Bank Bega. We also continue to offer our customers the flexibility of our mobile lending service across the region.

**Philip Smith**

**Senior Manager**

**Community Bank Pambula & District & Community Bank Bega**

# Supporting Our Community

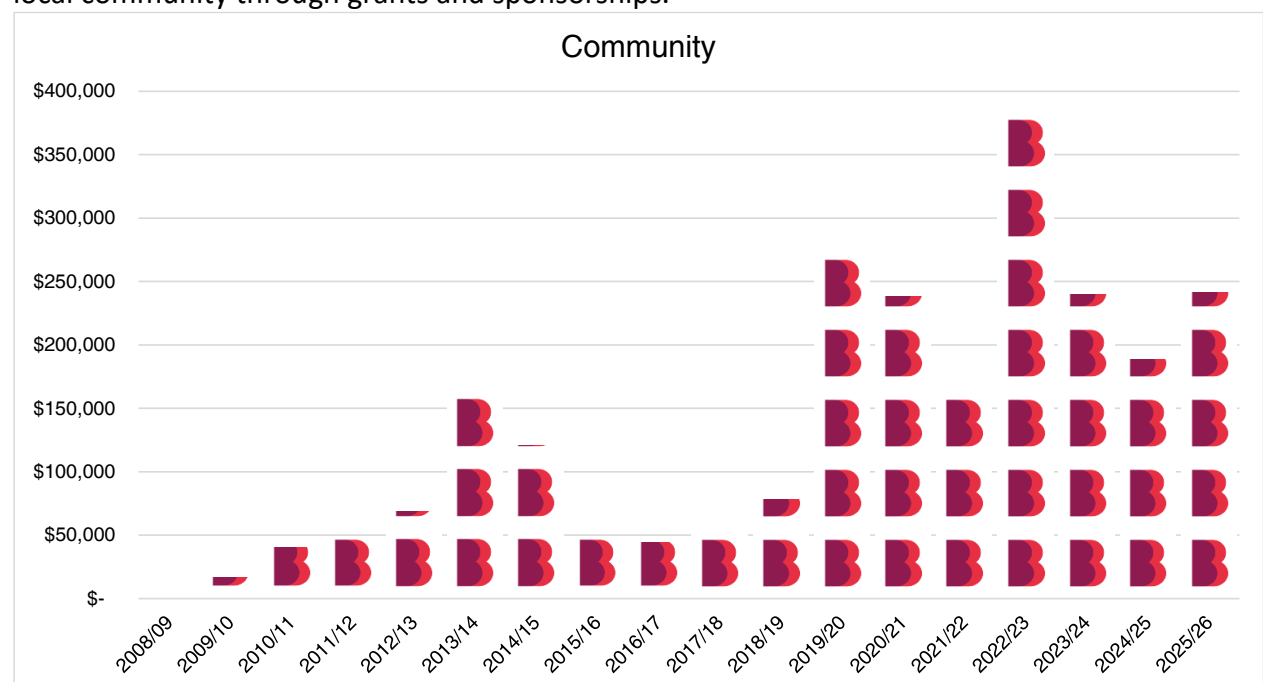
## Building the Community

Since October 2008, when the Pambula franchise was opened, Pambula and District Community Development Limited (PDCDL) has, through sponsorship, donations and grants, returned more than \$2.41 million back into the community. Types of organisations include agricultural show societies, Marine Rescue NSW Units, hospital and aged care auxiliaries, bushfire brigades, schools, Rotary and Lions clubs, sporting clubs, business chambers, arts music and special interest clubs.

**The contributions to these amazing local community organisations are only made possible by the fact that our Community Bank Branches in Pambula and Bega are supported by our community members.**

## The Trend

Below is a graph that shows how much your Company has given back to the community since it began in 2008. In recent years the Company has been in a position to increase its support of our local community through grants and sponsorships.



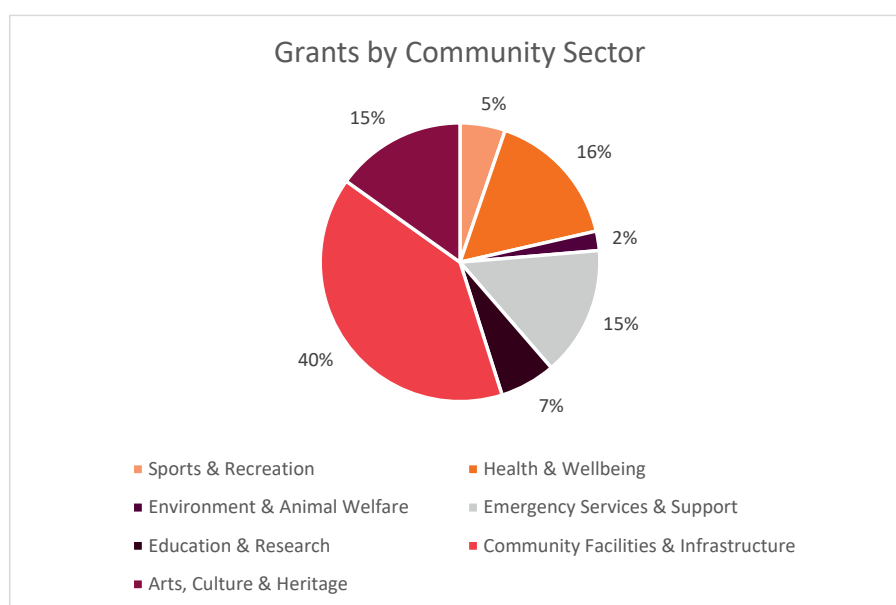
It is the aim of the company to return all our available profits back to our community in the form of dividends to our shareholders (who must have a local connection) and to community organisations that are helping others through their volunteering and community spirit. During 2025/26 we distributed more than \$141,272 to a variety of organisations across our community and deposited an additional \$100,000 into the Community Enterprise Foundation (which is available in future years for community projects).

## The Reasons to Bank with Bendigo Community Bank Pambula & Bega Branches

1. All our profits are returned to your local community.
2. Form a local partnership with Australia's most credible bank.
3. Owned locally to serve locally.

## Donation, Grant and Sponsorship Recipients 2025-2026

|                                           |                                           |
|-------------------------------------------|-------------------------------------------|
| Australian Skin Cancer Foundation Limited | NSW Marine Rescue - Eden Sub Branch       |
| Bega Amateur Swimming Club                | NSW Marine Rescue - Merimbula Sub Branch  |
| Bega AP&H Society                         | Pambula AH&P Society                      |
| Bega High School P&C                      | Pambula Business Chamber                  |
| Bega Lions Club                           | Pambula Merimbula Golf Club               |
| Bega Minor Rugby League                   | Pambula Panthers Aust Rules Football Club |
| Bega RSL Sub Branch                       | Pambula Surf Life Saving Club             |
| Bega Rugby League Football Club           | Pambula Village Community Garden          |
| Bemboka Garden Club                       | Pathways Music Program                    |
| Bermagui Public School                    | Pearl's Place                             |
| Brogo Rural Fire Brigade                  | Rotary Club of Merimbula                  |
| Candelo Tennis Club                       | Rotary Club of Pambula                    |
| Cobargo AP&H Society                      | Sapphire Coast Adult Swimming Club        |
| Community Enterprise Foundation           | Sapphire Coast Anglican Parish            |
| Directions Health Services                | Sapphire Coast Orchid Club                |
| Eden & District Garden Club               | Sapphire Coast Turf Club                  |
| Eden Sports and Recreation Club           | Sapphire Community Projects               |
| Eden Whale Festival Inc.                  | Sapphire Community Radio                  |
| Edge FM Community Radio Bega              | Sapphire Life Opportunities               |
| Far South Film inc                        | Spirit Allegro Community Choir Pambula    |
| Fling Physical Theatre                    | Tathra Beach Ladies Golf                  |
| Lions Club of Pambula & Merimbula         | Tathra Lions Club                         |
| Merimbula & District Arts Group           | Town & Country Disability Services        |
| Merimbula Jazz Festival                   | Tulgeen Disability Services               |
| Motherland Ltd                            | WinterSun Festival                        |
| Mumbulla Foundation Scholarships          | Yuin Folk Group                           |



## Corporate Governance Statement

The Board is comprised entirely of non-executive independent Directors, who volunteer their time and skills as a service to the company and the community. Details of their experience and skills are given in the following section. All Directors undertake appropriate on-going training related to their roles and responsibilities.

The Board has committed to a high standard of corporate governance, financial reporting and integrity throughout the company's operations. The Board also works to ensure that the company is an employer of choice in the local area.

The following subcommittees have been established to assist and advise the full Board. The subcommittees address operational matters and draft policies, procedures and proposals for the full Board. They meet flexibly as required. The subcommittees are:

- Finance
- Governance, Audit and Risk

### Identifying and Managing Business Risks

The Board monitors the operational and financial performance of the company against the budget and other key performance measures. The Board also receives advice on areas of operational and financial risks, and develops strategies, in conjunction with management, to mitigate those risks.

### Independent Professional Advice

Directors have the right to seek independent professional advice relating to their duties as a director at the company's expense.

### Communication With Shareholders

As the Board acts on behalf of the shareholders, the Board aims to ensure that shareholders are informed of all major developments affecting the company's activities and operations, including information necessary to assess the performance of Directors.

Communication with shareholders is achieved through the distribution of the following information:

### The Annual Report

This is made available to the market and all shareholders on the company's web pages within the *Bendigo and Adelaide Bank* website (search for *Pambula Community Bank*, then *Investor Relations*). Hard copies may also be collected at the Pambula & Bega Community Bank Branches.

Company Announcements – released to the media are also made available on the company's web site The Annual General Meeting papers.

### Continuous Improvement In Governance

We are constantly reviewing our structure and methods and have in these disruptive times reviewed existing processes and frameworks and adopted some new practices which will remain under review; including virtual Board and committee meetings, electronic approval of motions when physical meetings are not practical.

# Pambula & District Community Development Limited

ABN 27 128 796 458

Financial Report - 30 June 2026

# **Pambula & District Community Development Limited**

## **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:                     | Timothy George Shepherd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience and expertise: | Tim is Chair of the Board. He has held senior positions in the NSW National Parks and Wildlife Service and now volunteers in natural resource management. Tim holds a BSc(hons) degree and a graduate diploma in mediation and conflict resolution. He has enjoyed a significant involvement in community sport including Chair of the Sapphire Coast Australian Football League and President of the Pambula Panthers Football Club                                                                                                                                                                                               |
| Special responsibilities: | Chair, Finance Committee Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Name:                     | Colin Robert Dunn OAM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience and expertise: | Colin's qualifications include Bachelor of Commerce and Economics (U. Melb) Trained Secondary Teachers Certificate (U. Melb), Grad. Dip. Commuters in Education (U. Canberra), Certified Practicing Accountant (CPA)- 40 years. Colin's experience includes Senior Lecturer (Business) RMIT University 2000-2008, President (three times) - Rotary Club of Pambula; Member - Bega Shire Council Disaster Relief Fund Committee; President (2006) International Council for Small Business; President (2004/5) Small Enterprise Association of Australia and New Zealand; Deputy Principal, Lake Tuggeranong College, ACT (1991-3). |
| Special responsibilities: | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Name:                     | Jennifer Eleanor Symons                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience and expertise: | Jennifer is currently a Project Manager. She has twenty years of executive management experience in the retirement and aged care sector. She has a breadth of experience across government and not for profit Board membership in the health and education sectors. She holds a Bachelors of Arts, Applied Science (Building) and Commerce (Accounting) and is a Graduate member of the Australian Institute of Company Directors.                                                                                                                                                                                                 |
| Special responsibilities: | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Name:                     | Esther Therese Colson                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience and expertise: | Esther is a Solicitor at David Griffith Lawyers (2014 - Current). Esther holds a Bachelor of Laws (Hons) from the University of Canberra, Masters in Legal Practice - ANU and a Masters in Business Administrations - SCU. Esther is a previous Committee Member of Sapphire Court Runners and is the current Vice President of the Far South Coast & Monaro Regional Law Society. Esther is the sole director of Colson Law Pty Ltd as at December 2025 and is also a Director of Merimbula RSL Club Ltd as at October 2025.                                                                                                      |
| Special responsibilities: | Chair of Audit & Risk Committee, Member of Strategic Planning Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## Pambula & District Community Development Limited

### Directors' report

30 June 2026

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                     | Gordon William Beattie                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Title:                    | Non-executive director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise: | Gordon has a BA and Dip Ed from the University of Sydney and a B Ed from Queens University, Canada. He was former Head of Performance, Theatre and Dance (Theatre Nepean) and Chair of the Courses Management Committee in Design and Contemporary Arts at the University of Western Sydney. He has extensive experience working with not for profits and since moving to the Bega Valley with his partner operated their consultancy Arrow Solutions. Prior to the Bushfires and Covid he was actively involved with Sapphire Coast Tourism and the South Coast Regional Tourism Organisation as deputy Chair. His research interests and experience involve: The creation and generation of performance; New media and technology; Community mapping and community development; Creative industries; Tourism, especially cultural tourism; Sustainable communities; change management; Critical thinking and analysis; Intercultural performance; Aboriginal performance; Performance art, festivals and events; Live interpretation in cultural institutions and activation of public spaces.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Special responsibilities: | Member of Finance Committee, Director Coordinating Community Investment, Member of the Strategic Planning Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Name:                     | Amanda Ethelwyn Stevenson                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Title:                    | Non-executive director ( <i>appointed 14 May 2026</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Experience and expertise: | Mandi brings extensive experience in governance, business management, financial oversight and community leadership across the agricultural, environmental, professional services and health sectors. She served for ten years on the Southern Rivers Catchment Management Authority Board, including as Chair of the Risk Management Committee, and for 17 years with the Pambula Wetlands & Heritage Project, including nine years as Chair and three as Treasurer. Her career has included senior business management roles with the Livestock Health & Pest Authority and Kothes Accountants, with responsibility for financial reporting, audits, governance, staff management and organisational change. Mandi has also owned and managed farming and natural health businesses and is a published author. Her qualifications include a Bachelor of Applied Science, Graduate Diploma in Systems Agriculture, Diploma of Frontline Management, Kinesiology and Allied Health qualifications and an Australian Institute of Company Directors Certificate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Name:                     | Michael Anthony Pryke                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Title:                    | Non-executive director ( <i>appointed 14 May 2026</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Experience and expertise: | The first half of Mick's career was spent in the medical arena, working for multinational corporations, primarily in the high-end of medical consumables and treatments, such as dialysis, implantable devices, blood transfusion therapies and laboratory consumables. His employers were US based global health care companies. The second half of Mick's career was spent in IT, predominately in the area of client and contract management in large scale outsourcing contracts on both the client side and on the sales/service delivery side. Many of these contracts were of significant scale, measured in the tens of millions of dollars per annum. From 2000 – 2008 Mick was President of the Old Boys Union of St Joseph's College Hunters Hill, an alumnus of approximately 6,500 financial members. In Mick's last role before retiring, he led the Australian operations of Telecom New Zealand. Mick and his wife Nellie moved to the Bega Valley in 2015. Mick continued to commute weekly to Sydney, until his retirement from paid employment in 2017. Since retiring Mick and Nellie's focus has been on finding ways to contribute to growth in the Bega Valley and contributing skills where they may be of use to others. Mick is currently Chair of the Mumbulla Community Foundation, Board Member and Chair of the Governance Committee of Southern Cross Housing and a Board Member of Cobargo Community Development Corporations. Mick is also a Member of the Australian Institute of Company Directors. |

# Pambula & District Community Development Limited

## Directors' report

30 June 2026

Name: Deborah Julie Shaw  
Title: Non-executive director (*resigned 30 November 2025*)  
Experience and expertise: Deborah, now retired, has more than 40 years' experience of program and service delivery in the Australian Federal and State Public Services, Canada, New Zealand, Ghana and throughout the Pacific. Deborah holds a Master of Business Administration degree with a major in corporate finance, Bachelor of Science in Occupational Therapy, Diploma of Project Management and a Certificate IV in Training and Assessment. She is also a graduate of the Australian Institute of Company Directors. Deborah's work experience in the health and education sectors and the public service was focused on governance, finance and strategic human capital management. During the latter part of her career Deborah strengthened public sector capacity and capability in several Pacific Island Forum member countries and Ghana. Deborah's community service includes seven years as Treasurer, Australian Professional Snowsport Instructors Inc., President, Canberra Quilters, and member of the Finance, Audit and Risk subcommittee for the Canberra Irish Club.

Special responsibilities: Nil

Name: Russell John Fitzpatrick  
Title: Non-executive director (*resigned 12 November 2025*)  
Experience and expertise: Russell is the Mayor of Bega Valley Shire Council. He is also the Chair of Canberra Region Joint Organisation and the NSW Association Joint Organisations. Russell is a current Board Member of Country Mayors Association of NSW and a past Board Member of Southern NSW Local Health (2010-2021) and the Regional Development Far South Coast (2010-2018). Russell is a Life Member of the Pambula Merimbula Junior Rugby League.

Special responsibilities: Business Development Committee Member

### Company secretary

The Company secretary is Graham Stubbs. Graham was appointed to the position of Company secretary on 1 July 2021.

Experience and expertise: Graham has over 30 years experience as a professional accountant across a broad range of companies and industries, including Nestle (Australia), BHP, Sydney Water, AHM Private Health Insurance. TAFE NSW and Bega Valley Shire Council. Graham has been a CPA for 30 years and since 2009 has been responsible for the management of governance and a public officer for the Port Kembla Port Corporation, TAFE NSW - Illawarra Institute, Bega Valley Shire Council, and the Eden Killer Whale Museum before joining the Pambula & District CDL. Graham has also owned and managed his own registered training organisation which delivered diploma level qualifications in business, management and workplace health and safety.

### 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 loss for the company after providing for income tax amounted to \$2,133 (2025: loss of \$25,717).

### Dividends

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

|                                                             | 2026<br>\$ | 2025<br>\$ |
|-------------------------------------------------------------|------------|------------|
| Fully franked dividend of 5 cents per share (2025: 5 cents) | 38,066     | 38,066     |

# **Pambula & District Community Development Limited**

## **Directors' report**

### **30 June 2026**

#### **Significant changes in the state of affairs**

During the reporting period the company renewed its Bega lease agreement and added a five-year renewal option. The lease was remeasured to include the available renewal option, extending the lease term to July 2035. The financial effects of the lease remeasurement are recognised and disclosed in the notes to the financial report.

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.

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

|                           | <b>Board</b>    |                 |
|---------------------------|-----------------|-----------------|
|                           | <b>Eligible</b> | <b>Attended</b> |
| Timothy George Shepherd   | 11              | 10              |
| Colin Robert Dunn OAM     | 11              | 8               |
| Jennifer Eleanor Symons   | 11              | 11              |
| Esther Therese Colson     | 11              | 9               |
| Gordon William Beattie    | 11              | 11              |
| Amanda Ethelwyn Stevenson | 3               | 3               |
| Michael Anthony Pryke     | 3               | 3               |
| Deborah Julie Shaw        | 4               | 2               |
| Russell John Fitzpatrick  | 4               | 1               |

#### **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 24 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.

**Pambula & District Community Development Limited**  
**Directors' report**  
**30 June 2026**

**Directors' interests**

The interest in company shareholdings for each director are:

|                           | Balance at<br>the start of<br>the year | Changes | Balance at<br>the end of<br>the year |
|---------------------------|----------------------------------------|---------|--------------------------------------|
| Timothy George Shepherd   | 2,000                                  | -       | 2,000                                |
| Colin Robert Dunn OAM     | -                                      | -       | -                                    |
| Jennifer Eleanor Symons   | -                                      | -       | -                                    |
| Esther Therese Colson     | -                                      | -       | -                                    |
| Gordon William Beattie    | -                                      | 250     | 250                                  |
| Amanda Ethelwyn Stevenson | -                                      | -       | -                                    |
| Michael Anthony Pryke     | -                                      | 250     | 250                                  |
| Deborah Julie Shaw        | -                                      | -       | -                                    |
| Russell John Fitzpatrick  | -                                      | -       | -                                    |

**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 25 to the accounts.

**Pambula & District Community Development Limited**  
**Directors' report**  
**30 June 2026**

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



---

Timothy George Shepherd  
Chair

14 September 2026



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Pambula & District Community Development Limited

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

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

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

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

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

**Lachlan Tatt**  
Lead Auditor

**Pambula & District Community Development Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2026**

|                                                                      | <b>Note</b> | <b>2026<br/>\$</b>    | <b>2025<br/>\$</b>     |
|----------------------------------------------------------------------|-------------|-----------------------|------------------------|
| Revenue from contracts with customers                                | 6           | 1,925,367             | 1,906,891              |
| Other revenue                                                        |             | 24,522                | 70,749                 |
| Finance revenue                                                      |             | 17,292                | 25,563                 |
| Total revenue                                                        |             | <u>1,967,181</u>      | <u>2,003,203</u>       |
| Employee benefits expense                                            | 7           | (1,122,908)           | (1,248,111)            |
| Advertising and marketing costs                                      |             | (50,406)              | (55,911)               |
| Occupancy and associated costs                                       |             | (67,257)              | (51,610)               |
| System costs                                                         |             | (63,112)              | (65,042)               |
| Depreciation and amortisation expense                                | 7           | (171,632)             | (211,673)              |
| Finance costs                                                        |             | (35,591)              | (23,187)               |
| General administration expenses                                      |             | (217,067)             | (193,780)              |
| Total expenses before community contributions and income tax expense |             | <u>(1,727,973)</u>    | <u>(1,849,314)</u>     |
| <b>Profit before community contributions and income tax expense</b>  |             | 239,208               | 153,889                |
| Charitable donations, sponsorships and grants expense                | 7           | <u>(241,272)</u>      | <u>(188,178)</u>       |
| <b>Loss before income tax (expense)/benefit</b>                      |             | (2,064)               | (34,289)               |
| Income tax (expense)/benefit                                         | 8           | <u>(69)</u>           | <u>8,572</u>           |
| <b>Loss after income tax (expense)/benefit for the year</b>          |             | (2,133)               | (25,717)               |
| Other comprehensive income for the year, net of tax                  |             | <u>-</u>              | <u>-</u>               |
| <b>Total comprehensive income for the year</b>                       |             | <u><u>(2,133)</u></u> | <u><u>(25,717)</u></u> |
|                                                                      |             | <b>Cents</b>          | <b>Cents</b>           |
| Basic earnings per share                                             | 27          | (0.28)                | (3.38)                 |
| Diluted earnings per share                                           | 27          | (0.28)                | (3.38)                 |

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

**Pambula & District Community Development Limited**  
**Statement of financial position**  
**As at 30 June 2026**

|                                | <b>Note</b> | <b>2026</b><br><b>\$</b> | <b>2025</b><br><b>\$</b> |
|--------------------------------|-------------|--------------------------|--------------------------|
| <b>Assets</b>                  |             |                          |                          |
| <b>Current assets</b>          |             |                          |                          |
| Cash and cash equivalents      | 9           | 319,221                  | 297,802                  |
| Trade and other receivables    | 10          | 184,736                  | 169,834                  |
| Investments                    | 11          | 546,741                  | 518,886                  |
| Current tax assets             | 8           | -                        | 30,834                   |
| Total current assets           |             | <u>1,050,698</u>         | <u>1,017,356</u>         |
| <b>Non-current assets</b>      |             |                          |                          |
| Investment properties          | 14          | 70,599                   | 819                      |
| Property, plant and equipment  | 12          | 227,430                  | 301,177                  |
| Right-of-use assets            | 13          | 346,580                  | 326,953                  |
| Intangible assets              | 15          | 66,840                   | 94,498                   |
| Deferred tax assets            | 8           | 88,792                   | 80,937                   |
| Total non-current assets       |             | <u>800,241</u>           | <u>804,384</u>           |
| <b>Total assets</b>            |             | <u>1,850,939</u>         | <u>1,821,740</u>         |
| <b>Liabilities</b>             |             |                          |                          |
| <b>Current liabilities</b>     |             |                          |                          |
| Trade and other payables       | 16          | 153,015                  | 138,211                  |
| Lease liabilities              | 17          | 94,085                   | 93,507                   |
| Current tax liabilities        | 8           | 7,918                    | -                        |
| Employee benefits              | 18          | 129,193                  | 141,231                  |
| Total current liabilities      |             | <u>384,211</u>           | <u>372,949</u>           |
| <b>Non-current liabilities</b> |             |                          |                          |
| Trade and other payables       | 16          | 30,424                   | 60,848                   |
| Lease liabilities              | 17          | 391,738                  | 285,727                  |
| Employee benefits              | 18          | 40,458                   | 49,145                   |
| Provisions                     |             | <u>48,430</u>            | <u>57,194</u>            |
| Total non-current liabilities  |             | <u>511,050</u>           | <u>452,914</u>           |
| <b>Total liabilities</b>       |             | <u>895,261</u>           | <u>825,863</u>           |
| <b>Net assets</b>              |             | <u>955,678</u>           | <u>995,877</u>           |
| <b>Equity</b>                  |             |                          |                          |
| Issued capital                 | 19          | 717,967                  | 717,967                  |
| Retained earnings              |             | <u>237,711</u>           | <u>277,910</u>           |
| <b>Total equity</b>            |             | <u>955,678</u>           | <u>995,877</u>           |

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

**Pambula & District Community Development Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2026**

|                                                              | Note | Issued<br>capital<br>\$ | Retained<br>earnings<br>\$ | Total<br>equity<br>\$ |
|--------------------------------------------------------------|------|-------------------------|----------------------------|-----------------------|
| <b>Balance at 1 July 2024</b>                                |      | <u>717,967</u>          | <u>341,693</u>             | <u>1,059,660</u>      |
| Loss after income tax benefit                                |      | <u>-</u>                | <u>(25,717)</u>            | <u>(25,717)</u>       |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Dividends provided for or paid                               | 21   | <u>-</u>                | <u>(38,066)</u>            | <u>(38,066)</u>       |
| <b>Balance at 30 June 2025</b>                               |      | <u><u>717,967</u></u>   | <u><u>277,910</u></u>      | <u><u>995,877</u></u> |
| <br><b>Balance at 1 July 2025</b>                            |      | <br><u>717,967</u>      | <br><u>277,910</u>         | <br><u>995,877</u>    |
| Loss after income tax benefit                                |      | <u>-</u>                | <u>(2,133)</u>             | <u>(2,133)</u>        |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Dividends provided for or paid                               | 21   | <u>-</u>                | <u>(38,066)</u>            | <u>(38,066)</u>       |
| <b>Balance at 30 June 2026</b>                               |      | <u><u>717,967</u></u>   | <u><u>237,711</u></u>      | <u><u>955,678</u></u> |

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

**Pambula & District Community Development Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2026**

|                                                                  | <b>Note</b> | <b>2026</b><br><b>\$</b> | <b>2025</b><br><b>\$</b> |
|------------------------------------------------------------------|-------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                      |             |                          |                          |
| Receipts from customers (inclusive of GST)                       |             | 2,119,636                | 2,160,652                |
| Payments to suppliers and employees (inclusive of GST)           |             | (1,965,919)              | (1,962,420)              |
| Interest received                                                |             | 27,854                   | 16,524                   |
| Income taxes refunded/(paid)                                     |             | <u>30,828</u>            | <u>(30,828)</u>          |
| Net cash provided by operating activities                        | 26          | <u>212,399</u>           | <u>183,928</u>           |
| <b>Cash flows from investing activities</b>                      |             |                          |                          |
| Investment in term deposits                                      |             | (27,855)                 | (16,643)                 |
| Payments for property, plant and equipment                       | 12          | (800)                    | (56,201)                 |
| Payments for intangible assets                                   |             | (27,658)                 | (27,658)                 |
| Proceeds from disposal of property, plant and equipment          |             | <u>-</u>                 | <u>16,364</u>            |
| Net cash used in investing activities                            |             | <u>(56,313)</u>          | <u>(84,138)</u>          |
| <b>Cash flows from financing activities</b>                      |             |                          |                          |
| Interest and other finance costs paid                            |             | (32,944)                 | (20,573)                 |
| Dividends paid                                                   | 21          | (38,066)                 | (38,066)                 |
| Repayment of lease liabilities                                   |             | <u>(63,657)</u>          | <u>(135,061)</u>         |
| Net cash used in financing activities                            |             | <u>(134,667)</u>         | <u>(193,700)</u>         |
| Net increase/(decrease) in cash and cash equivalents             |             | 21,419                   | (93,910)                 |
| Cash and cash equivalents at the beginning of the financial year |             | <u>297,802</u>           | <u>391,712</u>           |
| Cash and cash equivalents at the end of the financial year       | 9           | <u><u>319,221</u></u>    | <u><u>297,802</u></u>    |

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 1. Reporting entity**

The financial statements cover Pambula & District Community Development Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Registered office**

55A Toalla Street  
Pambula NSW 2549

**Principal place of business**

55A Toalla Street  
Pambula NSW 2549

172 Carp Street  
Bega NSW 2550

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

**Note 2. Basis of preparation and statement of compliance**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 September 2026. The directors have the power to amend and reissue the financial statements.

**Note 3. Material accounting policy information**

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

**Adoption of new and revised accounting standards**

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

**Accounting standards issued but not yet effective**

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

**AASB 18 Presentation and Disclosure in Financial Statements**

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

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 3. Material accounting policy information (continued)**

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.

**Investments**

Investments include non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. Investments are carried at amortised cost using the effective interest rate method.

**Impairment of financial assets**

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

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

**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 to determine the extent of any impairment loss.

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

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

**Note 4. Critical accounting judgements, estimates and assumptions**

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

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

**Judgements**

*Timing of revenue recognition associated with trail commission*

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

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

*Allowance for expected credit losses on trade and other receivables*

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

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

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

*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 key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

*Recovery of deferred tax assets*

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

*Lease term*

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

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

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

**Estimates and assumptions**

*Estimation of useful lives of assets*

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

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

*Incremental borrowing rate*

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

*Employee benefits provision*

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

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

**Note 5. Economic dependency**

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2028.

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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 6. Revenue from contracts with customers**

|                   | <b>2026</b>      | <b>2025</b>      |
|-------------------|------------------|------------------|
|                   | <b>\$</b>        | <b>\$</b>        |
| Margin income     | 1,742,163        | 1,708,673        |
| Fee income        | 95,581           | 114,033          |
| Commission income | 87,623           | 84,185           |
|                   | <u>1,925,367</u> | <u>1,906,891</u> |

*Accounting policy for revenue from contracts with customers*

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

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

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

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

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

*Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

*Margin income*

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

|               |                                                                                 |
|---------------|---------------------------------------------------------------------------------|
|               | Interest paid by customers on loans less interest paid to customers on deposits |
| <b>plus:</b>  | any deposit returns i.e. interest return applied by Bendigo Bank for a deposit  |
| <b>minus:</b> | 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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**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**

|                                        | <b>2026</b>      | <b>2025</b>      |
|----------------------------------------|------------------|------------------|
|                                        | <b>\$</b>        | <b>\$</b>        |
| Wages and salaries                     | 960,231          | 1,053,513        |
| Non-cash benefits                      | 13,600           | 11,812           |
| Superannuation contributions           | 115,978          | 122,534          |
| Expenses related to long service leave | (10,917)         | 14,261           |
| Other expenses                         | 44,016           | 45,991           |
|                                        | <u>1,122,908</u> | <u>1,248,111</u> |

**Depreciation and amortisation expense**

|                                            | <b>2026</b>    | <b>2025</b>    |
|--------------------------------------------|----------------|----------------|
|                                            | <b>\$</b>      | <b>\$</b>      |
| <i>Depreciation of non-current assets</i>  |                |                |
| Leasehold improvements                     | 47,076         | 47,032         |
| Plant and equipment                        | 14,011         | 19,472         |
| Motor vehicles                             | 13,460         | 14,777         |
|                                            | <u>74,547</u>  | <u>81,281</u>  |
| <i>Depreciation of right-of-use assets</i> |                |                |
| Leased land and buildings                  | 63,556         | 92,928         |
| Investment property                        | 5,871          | 9,806          |
|                                            | <u>69,427</u>  | <u>102,734</u> |
| <i>Amortisation of intangible assets</i>   |                |                |
| Franchise fee                              | 4,609          | 4,610          |
| Franchise renewal fee                      | 23,049         | 23,048         |
|                                            | <u>27,658</u>  | <u>27,658</u>  |
|                                            | <u>171,632</u> | <u>211,673</u> |

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 7. Expenses (continued)**

**Charitable donations, sponsorships and grants expense**

|                                                      | <b>2026</b>    | <b>2025</b>    |
|------------------------------------------------------|----------------|----------------|
|                                                      | <b>\$</b>      | <b>\$</b>      |
| Direct donation, sponsorship and grant payments      | 150,363        | 188,178        |
| Contribution to the Community Enterprise Foundation™ | 90,909         | -              |
|                                                      | <u>241,272</u> | <u>188,178</u> |

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

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

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

**Note 8. Income tax**

|                                              | <b>2026</b>   | <b>2025</b>    |
|----------------------------------------------|---------------|----------------|
|                                              | <b>\$</b>     | <b>\$</b>      |
| <i>Income tax expense/(benefit)</i>          |               |                |
| Current tax                                  | 7,918         | -              |
| Movement in deferred tax                     | (14,110)      | (8,572)        |
| Recoupment of prior year tax losses          | 6,261         | -              |
|                                              | <u>69</u>     | <u>(8,572)</u> |
| Aggregate income tax expense/(benefit)       |               |                |
| <i>Prima facie income tax reconciliation</i> |               |                |
| Loss before income tax (expense)/benefit     | (2,064)       | (34,289)       |
| Tax at the statutory tax rate of 25%         | (516)         | (8,572)        |
| Tax effect of:                               |               |                |
| Non-deductible expenses                      | 585           | -              |
| Income tax expense/(benefit)                 | <u>69</u>     | <u>(8,572)</u> |
|                                              | <b>2026</b>   | <b>2025</b>    |
|                                              | <b>\$</b>     | <b>\$</b>      |
| <i>Deferred tax assets/(liabilities)</i>     |               |                |
| Tax losses                                   | -             | 6,261          |
| Property, plant and equipment                | 16,276        | 3,398          |
| Employee benefits                            | 42,413        | 47,594         |
| Share buyback costs                          | -             | 538            |
| Provision for lease make good                | 12,107        | 14,298         |
| Accrued expenses                             | 2,212         | -              |
| Income accruals                              | (1,377)       | (4,018)        |
| Lease liabilities                            | 121,456       | 94,809         |
| Right-of-use assets                          | (104,295)     | (81,943)       |
| Deferred tax asset                           | <u>88,792</u> | <u>80,937</u>  |

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 8. Income tax (continued)**

|                          | 2026<br>\$        | 2025<br>\$        |
|--------------------------|-------------------|-------------------|
| Income tax refund due    | -                 | 30,834            |
|                          | <u>2026</u><br>\$ | <u>2025</u><br>\$ |
| Provision for income tax | <u>7,918</u>      | <u>-</u>          |

*Accounting policy for income tax*

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

*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<br>\$     | 2025<br>\$     |
|--------------------------|----------------|----------------|
| Cash at bank and on hand | <u>319,221</u> | <u>297,802</u> |

**Note 10. Trade and other receivables**

|                                                                                     | 2026<br>\$     | 2025<br>\$     |
|-------------------------------------------------------------------------------------|----------------|----------------|
| Trade receivables                                                                   | 161,939        | 136,981        |
| Other receivables and accruals                                                      | 10,733         | 21,295         |
| Prepayments                                                                         | 12,064         | 11,558         |
|                                                                                     | <u>22,797</u>  | <u>32,853</u>  |
|                                                                                     | <u>184,736</u> | <u>169,834</u> |
|                                                                                     | 2026<br>\$     | 2025<br>\$     |
| <i>Financial assets at amortised cost classified as trade and other receivables</i> |                |                |
| Total trade and other receivables                                                   | 184,736        | 169,834        |
| Less prepayments, included in trade and other receivables                           | (12,064)       | (11,558)       |
|                                                                                     | <u>172,672</u> | <u>158,276</u> |

*Accounting policy for trade and other receivables*

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 11. Investments**

|                       | <b>2026</b> | <b>2025</b> |
|-----------------------|-------------|-------------|
|                       | <b>\$</b>   | <b>\$</b>   |
| <i>Current assets</i> |             |             |
| Term deposits         | 546,741     | 518,886     |

**Note 12. Property, plant and equipment**

|                                  | <b>2026</b> | <b>2025</b> |
|----------------------------------|-------------|-------------|
|                                  | <b>\$</b>   | <b>\$</b>   |
| Leasehold improvements - at cost | 489,160     | 489,160     |
| Less: Accumulated depreciation   | (333,010)   | (285,934)   |
|                                  | 156,150     | 203,226     |
| Plant and equipment - at cost    | 194,989     | 194,189     |
| Less: Accumulated depreciation   | (154,358)   | (140,347)   |
|                                  | 40,631      | 53,842      |
| Motor vehicles - at cost         | 76,079      | 76,079      |
| Less: Accumulated depreciation   | (45,430)    | (31,970)    |
|                                  | 30,649      | 44,109      |
|                                  | 227,430     | 301,177     |

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

|                                | <b>Leasehold<br/>improvements</b> | <b>Plant and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b> |
|--------------------------------|-----------------------------------|--------------------------------|---------------------------|--------------|
|                                | <b>\$</b>                         | <b>\$</b>                      | <b>\$</b>                 | <b>\$</b>    |
| <b>Balance at 1 July 2024</b>  | 248,583                           | 72,634                         | 5,040                     | 326,257      |
| Additions                      | 1,675                             | 680                            | 53,846                    | 56,201       |
| Depreciation                   | (47,032)                          | (19,472)                       | (14,777)                  | (81,281)     |
| <b>Balance at 30 June 2025</b> | 203,226                           | 53,842                         | 44,109                    | 301,177      |
| Additions                      | -                                 | 800                            | -                         | 800          |
| Depreciation                   | (47,076)                          | (14,011)                       | (13,460)                  | (74,547)     |
| <b>Balance at 30 June 2026</b> | 156,150                           | 40,631                         | 30,649                    | 227,430      |

*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 | 5 to 20 years |
| Plant and equipment    | 2 to 40 years |
| Motor vehicles         | 4 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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 12. Property, plant and equipment (continued)**

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**

|                                   | <b>2026</b>           | <b>2025</b>           |
|-----------------------------------|-----------------------|-----------------------|
|                                   | <b>\$</b>             | <b>\$</b>             |
| Land and buildings - right-of-use | 834,007               | 740,874               |
| Less: Accumulated depreciation    | <u>(487,427)</u>      | <u>(413,921)</u>      |
|                                   | <u><u>346,580</u></u> | <u><u>326,953</u></u> |

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

|                                | <b>Land and<br/>buildings<br/>\$</b> |
|--------------------------------|--------------------------------------|
| <b>Balance at 1 July 2024</b>  | 427,178                              |
| Remeasurement adjustments      | (7,297)                              |
| Depreciation expense           | <u>(92,928)</u>                      |
| <b>Balance at 30 June 2025</b> | 326,953                              |
| Remeasurement adjustments      | 83,183                               |
| Depreciation expense           | <u>(63,556)</u>                      |
| <b>Balance at 30 June 2026</b> | <u><u>346,580</u></u>                |

*Accounting policy for right-of-use assets*

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

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

Refer to note 17 for more information on lease arrangements.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 14. Investment properties**

|                                          | <b>2026</b>   | <b>2025</b> |
|------------------------------------------|---------------|-------------|
|                                          | <b>\$</b>     | <b>\$</b>   |
| Investment property - sublease - at cost | 75,651        | 29,595      |
| Less: Accumulated depreciation           | (5,052)       | (28,776)    |
|                                          | <u>70,599</u> | <u>819</u>  |

*Reconciliation*

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

|                           |               |            |
|---------------------------|---------------|------------|
| Opening amount            | 819           | 9,147      |
| Additions                 | 75,651        | -          |
| Remeasurement adjustments | -             | 1,478      |
| Depreciation expense      | (5,871)       | (9,806)    |
| Closing amount            | <u>70,599</u> | <u>819</u> |

*Additions*

During the year, the company entered into a new sublease agreement. As a result, the existing sublease asset was derecognised and a new sublease asset was recognised at a value of \$75,561. The new sublease asset is being depreciated on a straight-line basis over the term of the sublease, which expires in December 2033.

*Accounting policy for investment properties - sublease*

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting policies in note 17 and note 13 before separately identifying the sublease portion under AASB 140 *Investment Property*. The investment property is initially measured at cost under AASB 16 *Leases* and subsequently measured at cost less accumulated depreciation under AASB 140. The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

**Note 15. Intangible assets**

|                                | <b>2026</b>   | <b>2025</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>\$</b>     | <b>\$</b>     |
| Franchise fee                  | 72,909        | 72,909        |
| Less: Accumulated amortisation | (61,769)      | (57,160)      |
|                                | <u>11,140</u> | <u>15,749</u> |
| Franchise renewal fee          | 282,366       | 282,366       |
| Less: Accumulated amortisation | (226,666)     | (203,617)     |
|                                | <u>55,700</u> | <u>78,749</u> |
|                                | <u>66,840</u> | <u>94,498</u> |

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 15. 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<br>fee<br>\$ | Franchise<br>renewal fee<br>\$ | Total<br>\$   |
|--------------------------------|------------------------|--------------------------------|---------------|
| <b>Balance at 1 July 2024</b>  | 20,359                 | 101,797                        | 122,156       |
| Amortisation expense           | (4,610)                | (23,048)                       | (27,658)      |
| <b>Balance at 30 June 2025</b> | 15,749                 | 78,749                         | 94,498        |
| Amortisation expense           | (4,609)                | (23,049)                       | (27,658)      |
| <b>Balance at 30 June 2026</b> | <u>11,140</u>          | <u>55,700</u>                  | <u>66,840</u> |

*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:

| <u>Asset class</u>    | <u>Method</u> | <u>Useful life</u>                | <u>Expiry/renewal date</u> |
|-----------------------|---------------|-----------------------------------|----------------------------|
| Franchise fee         | Straight-line | Over the franchise term (5 years) | November 2028              |
| Franchise renewal fee | Straight-line | Over the franchise term (5 years) | November 2028              |

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

**Note 16. Trade and other payables**

|                                                                                       | 2026<br>\$         | 2025<br>\$         |
|---------------------------------------------------------------------------------------|--------------------|--------------------|
| <i>Current liabilities</i>                                                            |                    |                    |
| Trade payables                                                                        | 4,051              | 5,180              |
| Other payables and accruals                                                           | <u>148,964</u>     | <u>133,031</u>     |
|                                                                                       | <u>153,015</u>     | <u>138,211</u>     |
| <i>Non-current liabilities</i>                                                        |                    |                    |
| Other payables and accruals                                                           | <u>30,424</u>      | <u>60,848</u>      |
|                                                                                       | <u>183,439</u>     | <u>199,059</u>     |
|                                                                                       | <b>2026<br/>\$</b> | <b>2025<br/>\$</b> |
| <i>Financial liabilities at amortised cost classified as trade and other payables</i> |                    |                    |
| Total trade and other payables                                                        | 183,439            | 199,059            |
| Less statutory payables, included in trade and other payables                         | <u>(47,385)</u>    | <u>(47,057)</u>    |
|                                                                                       | <u>136,054</u>     | <u>152,002</u>     |

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 17. Lease liabilities**

|                                            | <b>2026</b>    | <b>2025</b>    |
|--------------------------------------------|----------------|----------------|
|                                            | <b>\$</b>      | <b>\$</b>      |
| <i>Current liabilities</i>                 |                |                |
| Land and buildings lease liabilities       | 94,085         | 93,507         |
| <i>Non-current liabilities</i>             |                |                |
| Land and buildings lease liabilities       | 391,738        | 285,727        |
|                                            | <u>485,823</u> | <u>379,234</u> |
| <i>Reconciliation of lease liabilities</i> |                |                |
|                                            | <b>2026</b>    | <b>2025</b>    |
|                                            | <b>\$</b>      | <b>\$</b>      |
| Opening balance                            | 379,234        | 545,300        |
| Remeasurement adjustments                  | 170,246        | (31,005)       |
| Lease interest expense                     | 32,944         | 20,573         |
| Lease payments - total cash outflow        | (96,601)       | (155,634)      |
|                                            | <u>485,823</u> | <u>379,234</u> |

*Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

| <b>Lease</b>   | <b>Discount rate</b> | <b>Non-cancellable term</b> | <b>Renewal options available</b> | <b>Reasonably certain to exercise options</b> | <b>Lease term end date used in calculations</b> |
|----------------|----------------------|-----------------------------|----------------------------------|-----------------------------------------------|-------------------------------------------------|
| Pambula Branch | 4.79%                | 5 years                     | Nil                              | N/A                                           | October 2028                                    |
| Bega Branch    | 7.05%                | 5 years                     | 1 x 5 years                      | Yes                                           | July 2035                                       |

*Remeasurement adjustments*

The company exercised a 5 year renewal option and entered into a renewal agreement for the Bega Branch lease during the period. The renewal agreement includes a further 5 year option of which the company is reasonably certain to exercise. As such a remeasurement of the lease liability, right-of-use asset and make good provision occurred using the revised lease term end date of July 2035.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 18. Employee benefits**

|                                | 2026<br>\$     | 2025<br>\$     |
|--------------------------------|----------------|----------------|
| <i>Current liabilities</i>     |                |                |
| Annual leave                   | 78,976         | 88,784         |
| Long service leave             | 50,217         | 52,447         |
|                                | <u>129,193</u> | <u>141,231</u> |
| <i>Non-current liabilities</i> |                |                |
| Long service leave             | 40,458         | 49,145         |
|                                | <u>169,651</u> | <u>190,376</u> |

*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 19. Issued capital**

|                              | 2026<br>Shares | 2025<br>Shares | 2026<br>\$     | 2025<br>\$     |
|------------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares - fully paid | 847,009        | 847,009        | 847,009        | 847,009        |
| Share buy back - fully paid  | (85,689)       | (85,689)       | (85,689)       | (85,689)       |
| Less: Equity raising costs   | -              | -              | (35,294)       | (35,294)       |
| Less: Cost of share buy back | -              | -              | (8,059)        | (8,059)        |
|                              | <u>761,320</u> | <u>761,320</u> | <u>717,967</u> | <u>717,967</u> |

*Accounting policy for issued capital*

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

**Rights attached to issued capital**

*Ordinary shares*

Voting rights

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

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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 19. 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").

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

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

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

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

**Note 20. Capital management**

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board 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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 20. 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 21. Dividends**

*Dividends provided for and paid during the period*

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

|                                                             | 2026<br>\$ | 2025<br>\$ |
|-------------------------------------------------------------|------------|------------|
| Fully franked dividend of 5 cents per share (2025: 5 cents) | 38,066     | 38,066     |

**Franking credits**

|                                                                     | 2026<br>\$     | 2025<br>\$     |
|---------------------------------------------------------------------|----------------|----------------|
| Franking account balance at the beginning of the financial year     | 312,596        | 294,451        |
| Franking credits (debits) arising from income taxes paid (refunded) | (30,834)       | 30,834         |
| Franking debits from the payment of franked distributions           | (12,689)       | (12,689)       |
|                                                                     | <u>269,073</u> | <u>312,596</u> |

*Franking transactions that will arise subsequent to the financial year end:*

|                                                                               |                |                |
|-------------------------------------------------------------------------------|----------------|----------------|
| Balance at the end of the financial year                                      | 269,073        | 312,596        |
| Franking credits (debits) that will arise from payment (refund) of income tax | 7,918          | -              |
| Franking credits available for future reporting periods                       | <u>276,991</u> | <u>312,596</u> |

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

*Accounting policy for dividends*

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

**Note 22. 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.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 22. Financial risk management (continued)**

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

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

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

|                                                             | <b>2026</b>      | <b>2025</b>    |
|-------------------------------------------------------------|------------------|----------------|
|                                                             | <b>\$</b>        | <b>\$</b>      |
| <b>Financial assets at amortised cost</b>                   |                  |                |
| Cash and cash equivalents (note 9)                          | 319,221          | 297,802        |
| Trade and other receivables excluding prepayments (note 10) | 172,672          | 158,276        |
| Investments (note 11)                                       | 546,741          | 518,886        |
|                                                             | <u>1,038,634</u> | <u>974,964</u> |
| <b>Financial liabilities at amortised cost</b>              |                  |                |
| Trade and other payables (note 16)                          | 136,054          | 152,002        |
| Lease liabilities (note 17)                                 | 485,823          | 379,234        |
|                                                             | <u>621,877</u>   | <u>531,236</u> |

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

*Accounting policy for financial instruments*

**Financial assets**

*Classification*

The company classifies its financial assets at amortised cost.

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.

*Derecognition*

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

*Impairment of trade and other receivables*

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

**Financial liabilities**

*Classification*

The company classifies its financial liabilities at amortised cost.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 22. Financial risk management (continued)**

*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 \$319,221 and term deposits of \$546,741 at 30 June 2026 (2025: \$297,802 and \$518,886).

**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.

|                          | <b>1 year or less</b> | <b>Between 1</b>   | <b>Over 5 years</b> | <b>Remaining</b>   |
|--------------------------|-----------------------|--------------------|---------------------|--------------------|
|                          | <b>\$</b>             | <b>and 5 years</b> |                     | <b>contractual</b> |
|                          |                       | <b>\$</b>          | <b>\$</b>           | <b>maturities</b>  |
|                          |                       |                    |                     | <b>\$</b>          |
| <b>2026</b>              |                       |                    |                     |                    |
| Trade and other payables | 105,630               | 30,424             | -                   | 136,054            |
| Lease liabilities        | 96,698                | 287,274            | 242,462             | 626,434            |
| Total non-derivatives    | 202,328               | 317,698            | 242,462             | 762,488            |
|                          |                       |                    |                     |                    |
|                          | <b>1 year or less</b> | <b>Between 1</b>   | <b>Over 5 years</b> | <b>Remaining</b>   |
|                          | <b>\$</b>             | <b>and 5 years</b> |                     | <b>contractual</b> |
|                          |                       | <b>\$</b>          | <b>\$</b>           | <b>maturities</b>  |
|                          |                       |                    |                     | <b>\$</b>          |
| <b>2025</b>              |                       |                    |                     |                    |
| Trade and other payables | 91,154                | 60,848             | -                   | 152,002            |
| Lease liabilities        | 95,534                | 319,938            | 4,851               | 420,323            |
| Total non-derivatives    | 186,688               | 380,786            | 4,851               | 572,325            |

**Note 23. Key management personnel disclosures**

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

Timothy George Shepherd  
 Russell John Fitzpatrick  
 Michael Anthony Pryke  
 Colin Robert Dunn OAM  
 Jennifer Eleanor Symons

Esther Therese Colson  
 Gordon William Beattie  
 Deborah Julie Shaw  
 Amanda Ethelwyn Stevenson

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

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

**Note 24. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 23.

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 24. Related party transactions (continued)**

*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:

|                                                                                                                                              | <b>2026</b><br><b>\$</b> | <b>2025</b><br><b>\$</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Pambula Panthers Australian Football Club received sponsorship during the period. Timothy George Shepherd is the President of the club.      | 2,500                    | 2,500                    |
| Rotary Club of Pambula received sponsorship during the period. Colin Robert Dunn OAM is the President of the club.                           | 2,000                    | 1,000                    |
| Merimbula Jazz Festival received sponsorship during the period. Colin Robert Dunn OAM is a committee member.                                 | 5,000                    | 5,000                    |
| Payments relating to rates, AGM venue hire and other expenses were made to Bega Valley Shire Council. Russell John Fitzpatrick is the Mayor. | 7,306                    | 7,699                    |
| The company hired a room and kitchen from the Old Bega Hospital Reserve Land Manger where Gordon is a committee member.                      | 320                      | -                        |
| The company made a sponsorship to Pambula Business Chamber during the period where Russell Fitzpatrick is a committee member.                | 5,000                    | -                        |
| The company made a sponsorship during the period where Colin Robert Dunn OAM is a committee member.                                          | 3,993                    | -                        |
| Sapphire Coast Anglican Parish received sponsorship during the period. Russell John Fitzpatrick is a committee member.                       | -                        | 3,000                    |

**Note 25. 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:

|                                             | <b>2026</b><br><b>\$</b> | <b>2025</b><br><b>\$</b> |
|---------------------------------------------|--------------------------|--------------------------|
| <i>Audit services</i>                       |                          |                          |
| Audit or review of the financial statements | 9,280                    | 9,172                    |
| <i>Other services</i>                       |                          |                          |
| Taxation advice and tax compliance services | 2,262                    | 1,747                    |
| General advisory services                   | 5,830                    | 7,818                    |
| Share registry services                     | 7,452                    | 4,905                    |
|                                             | <u>15,544</u>            | <u>14,470</u>            |
|                                             | <u><u>24,824</u></u>     | <u><u>23,642</u></u>     |

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 26. Reconciliation of loss after income tax to net cash provided by operating activities**

|                                                      | <b>2026</b>    | <b>2025</b>    |
|------------------------------------------------------|----------------|----------------|
|                                                      | <b>\$</b>      | <b>\$</b>      |
| Loss after income tax (expense)/benefit for the year | (2,133)        | (25,717)       |
| Adjustments for:                                     |                |                |
| Depreciation and amortisation                        | 171,632        | 211,687        |
| Net gain on disposal of non-current assets           | -              | (16,364)       |
| Gain on remeasurement of right of use assets         | -              | (23,708)       |
| Lease liabilities interest                           | 32,944         | 20,573         |
| Change in operating assets and liabilities:          |                |                |
| Decrease/(increase) in trade and other receivables   | (14,902)       | 19,366         |
| Decrease/(increase) in income tax refund due         | 30,834         | (30,834)       |
| Increase in deferred tax assets                      | (7,855)        | (8,566)        |
| Increase/(decrease) in trade and other payables      | 12,038         | (2,967)        |
| Increase in provision for income tax                 | 7,918          | -              |
| Increase/(decrease) in employee benefits             | (20,725)       | 37,844         |
| Increase in other provisions                         | 2,648          | 2,614          |
| Net cash provided by operating activities            | <u>212,399</u> | <u>183,928</u> |

**Note 27. Earnings per share**

|                                                                                           | <b>2026</b>    | <b>2025</b>     |
|-------------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                           | <b>\$</b>      | <b>\$</b>       |
| Loss after income tax                                                                     | <u>(2,133)</u> | <u>(25,717)</u> |
|                                                                                           | <b>Number</b>  | <b>Number</b>   |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>761,320</u> | <u>761,320</u>  |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>761,320</u> | <u>761,320</u>  |
|                                                                                           | <b>Cents</b>   | <b>Cents</b>    |
| Basic earnings per share                                                                  | (0.28)         | (3.38)          |
| Diluted earnings per share                                                                | (0.28)         | (3.38)          |

**Note 28. Commitments**

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

**Note 29. Contingencies**

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

**Pambula & District Community Development Limited**  
**Notes to the financial statements**  
**30 June 2026**

**Note 30. Events after the reporting period**

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

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

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

**Pambula & District Community Development Limited**  
**Directors' declaration**  
**30 June 2026**

In the directors' opinion:

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

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

On behalf of the directors



---

Timothy George Shepherd  
Chair

14 September 2026



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

# Independent auditor's report to the members of Pambula & District Community Development Limited

## Report on the Audit of the Financial Report

### Our opinion

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

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

### What we have audited

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

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

### Basis for opinion

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

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

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

### Other information

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



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

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

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

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

## Responsibilities of the directors for the financial report

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

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

## Auditor's responsibilities for the audit of the financial report

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

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

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

**Lachlan Tatt**  
Lead Auditor