



Annual Report 2026

Parkdale/Mentone East
Community Branch Limited

Community Bank
Parkdale

ABN 20 089 783 166

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Chairman's report

For year ending 30 June 2026



The most important measure of our success is not simply the size of our balance sheet or the profit we generate. It is also the difference those results enable us to make in our local community.

It is with pleasure that I present the Annual Report of Parkdale/Mentone East Community Branch Limited for the financial year ended 30 June 2026.

The 2025/26 financial year has once again demonstrated the strength and resilience of our company and the enduring value of the Community Bank model. Despite a highly competitive economic and banking environment, we maintained strong revenue and generated a profit before community contributions and income tax expense of almost \$1 million. This is a pleasing result and reflects the commitment of our staff, the loyalty of our customers and the ongoing support of our shareholders.

During the year, our charitable spend (excluding funds distributed from the Community Enterprise Foundation) totalled \$403,650. Together with income tax expense, this resulted in a net profit of \$463,728.

At 30 June 2026, the book value of our loans, deposits and wealth products was \$335 million, comprising \$105 million in loans and \$227 million in deposits. While both loans and deposits contracted during the year, the overall footprint declined by only \$6 million compared with the previous year. In the current competitive environment, maintaining this level of business is a solid achievement.

Our net assets increased by \$305,000 to \$4,159,862, further strengthening the company's financial position and providing a sound platform from which to continue serving our customers and community.

Dividend

The Board is pleased to announce an increase in the dividend for the 2025/26 financial year.

Shareholders will receive a fully franked dividend of 15 cents per share, scheduled for payment in early December.

Providing shareholders with a sustainable and worthwhile return remains an important responsibility of the Board. Equally important is ensuring that the company continues to generate the funds necessary to support the community in which we operate. It is this balance between shareholder return, financial sustainability and community investment that makes the Community Bank model distinctive.

Community Investment

The most important measure of our success is not simply the size of our balance sheet or the profit we generate. It is also the difference those results enable us to make in our local community.

During 2025/26, we invested \$605,786 back into the community through grants, sponsorships and donations. This comprised \$403,650 of direct branch investment together with \$202,136 distributed from funds held in the Community Enterprise Foundation.

Chairman's report (continued)

Including shareholder dividends, we have now returned \$5.8 million to the community since 2005.

This is a significant achievement and one of which the Board, our staff and our shareholders can be proud. It demonstrates what can be achieved when a successful local business is structured to share its success with the community that supports it.

During the year, we supported 54 organisations across sport, health and wellbeing, community infrastructure, education and research, and arts, culture and heritage. We also continued our scholarship program, which now supports six students undertaking tertiary studies. These scholarships provide practical assistance to young people pursuing their educational goals and represent an investment in the future of our community. A full list of the organisations supported during this period is within the annual report.

We continue to provide shareholders with an electronic copy of our quarterly newsletter. I hope these regular updates provide a clearer picture of the breadth of our community involvement and, importantly, demonstrate how the business generated through our branch is translated into tangible benefits for local organisations and individuals.

Our Staff

Our staff are one of the key strengths of Community Bank Parkdale. They are fundamental to the success of our business, and I thank them for their contribution throughout the year.

Against a challenging and highly competitive banking environment, our team, under the leadership of Rob and, for a short period, Kristy, performed strongly through their active engagement with customers and the local community. The team succeeded in maintaining our lending portfolio despite significant competitive pressures.

After seven years at Parkdale, Rob was appointed Regional Manager, Mornington Peninsula, in June 2026. The Board sincerely thanks Rob for his leadership of the branch and for the energy and commitment he brought to the role. His strong focus on growth, customer relationships and engagement with community groups contributed to significant expansion in both lending and deposits during his tenure. Rob's promotion is also recognition of the contribution he has made to our business, and we wish him every success in his new role.

Our Lending Manager, Anthony, retired at the end of June following an outstanding 40-year career in the banking industry. The Board thanks Anthony for his five years of dedicated service to Community Bank Parkdale. His commitment to our customers and his contribution to the growth of our business were greatly valued. He consistently ranked among the strongest lenders in the Bayside region and played an important role in maintaining the reputation of our branch for quality customer service and lending expertise. We wish Anthony every happiness in his retirement and thank him for his considerable contribution.

Board of Directors

I thank all of our directors for their commitment and contribution during 2025/26.

Stephen Budge retired from the Board at the end of June, concluding more than ten years of service to the company. I particularly thank Stephen for his leadership as Chairman and Deputy Chairman from February 2016. Under Stephen's stewardship, the company achieved considerable expansion of its banking footprint while strengthening its governance standards, introducing operational efficiencies and developing a stronger framework for engagement with community organisations.

His contribution has helped position the company for the next stage of its development, and the Board is grateful for the knowledge, experience and leadership he has provided over many years.

The role of a director of a Community Bank extends well beyond the boardroom. Our Directors contribute to strategic decision-making and the operation of the company, but they also give generously of their time to attend community events and build relationships with local organisations. These activities are not simply about community presence. Strong community relationships create opportunities for the business, strengthen our reputation and help ensure that the benefits of Community Bank Parkdale continue to flow back into the community. I thank all Directors for their willingness to make this commitment.

Chairman's report (continued)

During the year, Chris Graham and Nicola Harrop were appointed to the Board. Both bring valuable new skills, experience and perspectives and have already made a positive contribution to Board deliberations and community activities. Their appointments form an important part of our succession planning and ensure that the company continues to have the skills and experience required to meet the challenges of a rapidly changing economic and banking environment.

Shareholders

Finally, I would like to thank our shareholders for their continued confidence, interest and support.

Many of our shareholders are also customers of Community Bank Parkdale, and we greatly value the business you continue to place with the branch.

The success of our company ultimately depends on the support of our customers. When customers choose to bank with us, they are not simply choosing a local banking service; they are helping create the profits that enable us to support local organisations, initiatives and individuals. That is the fundamental difference of the Community Bank model.

For our shareholders, we trust that the dividends paid provide a worthwhile financial return on your investment. But your investment also provides something beyond a dividend — it enables the company to continue returning funds to the community and supporting the places in which we all live and work.

We enter the new financial year with a strong financial foundation, an experienced and committed team, a Board focused on the future and, most importantly, a community that continues to support and value what we do.

I am confident that Parkdale/Mentone East Community Branch Limited is well placed to build on its achievements and continue delivering both strong banking outcomes and meaningful community benefits in the years ahead.



Alan Campbell
Chairman

Manager's report

For year ending 30 June 2026



We continue to encourage local families and businesses to partner bank with us for their complete transactional banking, merchant services, and business operating accounts, anchored by our high standard of personalised branch service.

For the financial year ending 30 June 2026, Community Bank Parkdale navigated an increasingly complex and competitive economic landscape. Following consecutive years of record expansion, this past financial year tested our agility and resilience. I am incredibly proud of the dedication shown by our branch team and the enduring loyalty of our customers, shareholders, and local community.

Our book figures for the financial year are as follows:

Deposits	\$227,201,413	<i>(Decrease of \$4,696,486)</i>
Lending	\$105,842,830	<i>(Decrease of \$723,981)</i>
Total Business Footprint	\$335 million inclusive of other business	<i>(compared to \$341 million in FY25 and \$311 million in FY24)</i>

Economic Climate and Lending Performance

The 2025–26 financial year presented considerable headwinds across the Australian banking sector. The sustained higher interest rate environment continued to impact borrowing capacity and household cash flow, dampening overall credit demand across the wider market.

Following the conclusion of the Victorian Homebuyer Fund which was a significant catalyst for our strong lending expansion in previous years achieving organic loan growth became considerably more challenging. Despite these industry-wide pressures, our lending portfolio held firm at \$105.84 million, experiencing only a minor contraction of \$723,981 (less than 0.7%). This stability highlights the quality of our book and our proactive engagement with borrowers to restructure facilities, assist first-home buyers, and support local business operators through economic cycles.

Deposit Dynamics and Full-Relationship Banking

Our deposit portfolio closed the financial year at \$227.20 million, down \$4.69 million from the previous year.

As market conditions evolved, intense rate-driven competition from both major banks and digital platforms placed pressure on retail deposits, with customers actively drawing on savings buffers or shopping around for short-term promotional rates. In response, our strategy has focused firmly on full-service relationship banking rather than purely competing on headline margin-diluting rates. We continue to encourage local families and businesses to partner bank with us for their complete transactional banking, merchant services, and business operating accounts, anchored by our high standard of personalised branch service.

Manager's report (continued)

Proactive Customer Retention and The Bendigo Difference

With a combined business portfolio standing at \$333 million, customer retention remains the cornerstone of our operational strategy.

Throughout FY26, our team prioritised proactive customer contact reaching out to clients navigating fixed-rate expiries, conducting loan health checks, and ensuring our existing customers receive competitive outcomes. At a time when major competitors continue to close physical branches and push customers toward automated offshore call centres, Community Bank Parkdale remains steadfast in providing face-to-face service, direct telephone access, and genuine local decision-making.

Community Impact and Purpose-Led Banking

The defining strength of Community Bank Parkdale is our purpose: feeding into community prosperity, not off it. Every account opened and loan settled directly empowers our ability to reinvest profits back into the local fabric of Parkdale and surrounding communities.

During FY26, we were proud to contribute \$605,7756 in community grants, sponsorships, and local initiatives.

To date, our branch has returned over \$5.8 million into community projects, delivering a tangible social dividend that traditional banks cannot match.

Acknowledgements and Strategic Priorities

Our achievements and resilience this year are credited to the hard work, professionalism, and customer-first mindset of our branch team

I would also like to express my sincere gratitude to our Chair, Alan Campbell, and the entire volunteer Board of Directors for their guidance, strategic governance, and unwavering support.

Looking ahead into the 2026–27 financial year, the key priorities for the branch include:

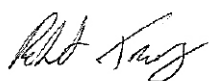
- Reigniting Sustainable Growth: Expanding customer banking, residential lending, and community networks
- Deepening Community Partnerships: Actively collaborating with sponsored clubs and community groups to ensure reciprocal banking support
- Protecting & Growing the Core Book: Continuing proactive retention reviews to safeguard our customer base.

A Personal Note and Farewell

On a personal note, this will be my final Annual Report as Branch Manager of Community Bank Parkdale, as I have recently tendered my resignation.

It has been an absolute privilege to lead this branch and work alongside such a dedicated team, a committed Board of Directors, and a passionate community of shareholders and customers. Over the journey, seeing our total business footprint grow and witnessing firsthand the direct impact our grants and sponsorships have made across Parkdale has been immensely rewarding.

I would like to sincerely thank everyone who has supported me throughout my tenure. I have every confidence that Community Bank Parkdale is in a strong position for future success, and I wish the new Branch Manager, our team, and the entire community all the very best in the years ahead.



Robert Tracey
Branch Manager
Community Bank Parkdale

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Sponsorships 2025/26



During 2025/26 you have supported the following organisations within the community:

Acacia Ave Preschool
Beachside Gift & Sand Classic
Beamaris Motor Yacht Squadron
Beamaris Soccer Club
Cancer Council Biggest Morning Tea
Cheltenham Community Centre
Cheltenham Cricket Club
Cheltenham Football Netball Club
Cheltenham Junior Football Netball Club
City of Kingston Sustainable Business Awards
Curbside Coaching
Dare to Hope - Lite of Hope
DIY Collective
Edithvale Aspendale Netball Club
Eisteddfod by the Bay
Elonera Preschool
Finian Foundation
Freemason Lodge

Kingston Hawthorn Cricket Club
Kingston Toy Library
Kingston University of the 3rd Age (U3A)
Lachlan McLaren Foundation
Lions Club of Moorabbin
Mentone Cricket Club
Mentone Lifesaving Club
Mentone Preschool
Mentone RSL
Mentone Scouts
Mentone Soccer Club
Mordialloc Beach Primary School
Mordialloc Braeside Junior Football Club
Mordialloc Football Netball Club
Mordialloc Jazz Orchestra
Mordialloc Life Saving Club
Mordialloc Men's Shed
Mordialloc Motor Yacht Club
Mordialloc Redbacks Junior Football Club

COMMUNITY CONTRIBUTIONS
\$605,786
 contributed in 2025/26

Over
\$5.8 million
 returned to community and shareholders since 2005

Mordialloc Sailing Club
Mordialloc Sporting Club (Netball)
Mordialloc Superules Football Club
Mordialloc Theatre Company
MumWalk
Parkdale Bowls Club
Parkdale Cricket Club
Parkdale Pantry
Parkdale Primary School
Parkdale Secondary College – STEM program
Parkdale Traders Association
Parkdale United Cricket Club
Parkdale Vultures Football Netball Club
Parkdale Yacht Club
Peter MacCallum Cancer Centre Golf Day

Probus Parktone
Ronald McDonald House
Rotary Club of Mordialloc/Mentone
Scholarships x 6
Sport and Life Training (SALT)
St Bede's College STEM program
St Bede's Mentone Tigers Football Club
St Brigid's Primary School
Story Dogs
Sweetwater Creek Social Club
Team Sports 4 All
Very Special Kids



Directors' report

For the financial year ended 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:

Alan Campbell

Title:	Non-executive director
Experience and expertise:	B.Com (UPE), MBA (UNE), Adv Diploma Export Practice (RMIT), Diploma Company Directors (AICD). Forty years' experience in diplomatic service and senior management roles in international trade and industry development in the public and private sectors.
Special responsibilities:	Chairman, Member of Finance, Strategy & Audit Committee

James Ashley Cashion

Title:	Non-executive director
Experience and expertise:	Initial career in Banking, Industry and Corporate Taxation. Member of the ASCPA's for 35 years; Registered Tax Agent 32 Years. Principal of James A Cashion CPA accounting practice for 31 years. Former school councillor of Mentone Primary School. He holds a Bachelor of Business and is a Certified Practising Accountant.
Special responsibilities:	Treasurer, Member of Finance, Strategy & Audit Committee

Michael Gerrard Supple

Title:	Non-executive director
Experience and expertise:	Throughout Michael's career and community interests he has generally been recognised for his leadership roles, integrity, work ethic and the ability to build relationships to achieve effective outcomes in education, business and for the benefit of the community. He holds a Graduate Diploma in Education and Training and is also a qualified carpenter and joiner. He has taught both in the Technical School system and held the position as Trades Coordinator for Lend Lease Learning during the mid to late 1990's. Until he retired he was the Owner/Director of a small successful floor covering business. More recently as President of the Parkdale Bowls Club he has spent time building relationships with various groups within the area and by building relationships with the Kingston Council has sought to improve the club facilities for use within the community.
Special responsibilities:	Member of Sponsorship Committee

Directors' report (continued)

Directors (continued)

Anna Worsnop

Title:	Non-executive director
Experience and expertise:	Marketing and administration experience in the travel industry and many years' involvement in managing local sporting clubs, and in sponsorship management. An Ambassador for the Cancer Council of Victoria who has for 18 years hosted an annual fundraising Biggest Morning Tea.
Special responsibilities:	Member of Sponsorship Committee

Tyson McGeoch

Title:	Non-executive director
Experience and expertise:	Bachelor of Business and Commerce (Majors Accounting and Banking & Finance) and Chartered Accountant (CA). Over 16 years' experience in accounting, analyst, business operations and development. Tyson is an elected member of the Bendigo Bank Community Bank National Council.
Special responsibilities:	Member of Finance, Strategy & Audit Committee

Joanne Joy Batchelor

Title:	Non-executive director
Experience and expertise:	31 years of banking experience, 24 with Bendigo Bank Parkdale, Founding staff member in November 1999. Joanne lives locally and has been involved with local pre-school, primary and secondary schools, football, cricket and tennis clubs in the past.
Special responsibilities:	Member of Sponsorship Committee

Christopher John Graham

Title:	Non-executive director (appointed 20 March 2026)
Experience and expertise:	Bachelor of Business (Accounting). Fellow member of CPA Australia. Registered tax agent. Director/ Owner of HG & Co Pty Ltd.

Nicola Clare Harrop

Title:	Non-executive director (appointed 20 March 2026)
Experience and expertise:	Small business owner – Business Advisor. Commercial & Operations Manager. BBus(Accy), GAICD, CMC. Life Saving Victoria - Ordinary Director (May 2025-Present). Black Rock Life Saving Club – President / Board Chair (2020-2025) & Sponsorship Manager (current).
Special responsibilities:	Member of Sponsorship Committee

Stephen Thomas Budge

Title:	Non-executive director (resigned 30 June 2026)
Experience and expertise:	Bachelor Business and Certified Practicing Accountant (CPA). Over 40 years in accounting and financial management.
Special responsibilities:	Deputy Chairman, Member of Sponsorship Committee

Directors' report (continued)

Company secretary

The company secretary is Joanne Joy Batchelor. Joanne was appointed to the position of company secretary on 13 November 2024.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to \$463,728 (30 June 2025: \$662,357).

Operations have continued to perform in line with expectations.

Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 12.5 cents per share (2025: 10 cents)	158,509	126,807

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Directors' report (continued)

Meetings of directors

The number of directors' meetings, including meetings of committees of directors, attended by each director of the company during the financial year was as follows:

	Board		Finance, Strategy & Audit Committee		Sponsorship Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Alan Campbell	11	11	2	2	-	-
James Ashley Cashion	11	10	2	2	-	-
Michael Gerrard Supple	11	10	-	-	11	10
Anna Worsnop	11	11	-	-	11	11
Tyson McGeoch	11	10	1	1	-	-
Joanne Joy Batchelor	11	10	-	-	11	10
Christopher John Graham	4	3	-	-	-	-
Nicola Clare Harrop	4	3	-	-	4	3
Stephen Thomas Budge	11	8	1	-	11	9

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 and note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Alan Campbell	-	-	-
James Ashley Cashion	5,000	-	5,000
Michael Gerrard Supple	-	-	-
Anna Worsnop	-	-	-
Tyson McGeoch	9,000	2,550	11,550
Joanne Joy Batchelor	-	-	-
Christopher John Graham	-	-	-
Nicola Clare Harrop	-	-	-
Stephen Thomas Budge	5,250	-	5,250

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.

Directors' report (continued)

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 26 to the accounts.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

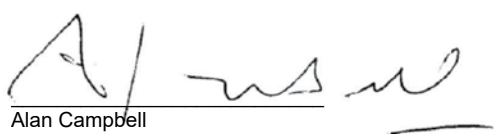
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Alan Campbell
Chairman

15/9/2026

Auditor's independence declaration



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

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Parkdale/Mentone East Community Branch Ltd

As lead auditor for the audit of Parkdale/Mentone East Community Branch Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

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

	Note	2026 \$	2025 \$
Revenue from contracts with customers	7	2,184,151	2,213,195
Other revenue	8	66,971	124,663
Finance revenue		58,822	52,545
Total revenue		2,309,944	2,390,403
Fair value losses on financial assets	9	(105,785)	-
Employee benefits expense	10	(917,291)	(811,848)
Advertising and marketing costs		(36,786)	(47,577)
Occupancy and associated costs		(44,431)	(68,199)
System costs		(27,330)	(24,323)
Depreciation and amortisation expense	10	(64,440)	(62,511)
Finance costs		(683)	-
General administration expenses		(102,794)	(101,391)
Total expenses before community contributions and income tax		(1,299,540)	(1,115,849)
Profit before community contributions and income tax expense		1,010,404	1,274,554
Charitable donations, sponsorships and grants expense	10	(403,650)	(410,554)
Profit before income tax expense		606,754	864,000
Income tax expense	11	(143,026)	(201,643)
Profit after income tax expense for the year		463,728	662,357
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		463,728	662,357
		Cents	Cents
Basic earnings per share	28	36.57	52.23
Diluted earnings per share	28	36.57	52.23

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

Financial statements (continued)

Statement of financial position for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	12	382,627	325,589
Trade and other receivables	13	213,650	191,543
Financial assets	14	533,988	639,774
Investments	15	1,444,984	1,230,366
Total current assets		2,575,249	2,387,272
Non-current assets			
Property, plant and equipment	16	1,690,368	1,726,904
Intangible assets	17	63,582	5,398
Deferred tax assets	11	42,864	28,415
Total non-current assets		1,796,814	1,760,717
Total assets		4,372,063	4,147,989
Liabilities			
Current liabilities			
Trade and other payables	18	112,604	92,528
Current tax liabilities	11	49,772	100,539
Employee benefits		23,831	77,527
Total current liabilities		186,207	270,594
Non-current liabilities			
Employee benefits		25,994	22,752
Total non-current liabilities		25,994	22,752
Total liabilities		212,201	293,346
Net assets		4,159,862	3,854,643
Equity			
Issued capital	19	996,950	996,950
Retained earnings		3,162,912	2,857,693
Total equity		4,159,862	3,854,643

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		996,950	2,322,143	3,319,093
Profit after income tax expense		-	662,357	662,357
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	662,357	662,357
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(126,807)	(126,807)
Balance at 30 June 2025		996,950	2,857,693	3,854,643
Balance at 1 July 2025		996,950	2,857,693	3,854,643
Profit after income tax expense		-	463,728	463,728
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	463,728	463,728
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(158,509)	(158,509)
Balance at 30 June 2026		996,950	3,162,912	4,159,862

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

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,525,592	2,489,232
Payments to suppliers and employees (inclusive of GST)		(1,887,521)	(1,687,940)
Dividends received		31,887	31,887
Interest received		55,436	47,967
Interest and other finance costs paid		(683)	-
Income taxes paid		(208,242)	(340,282)
Net cash provided by operating activities	27	516,469	540,864
Cash flows from investing activities			
Payments for investments		(214,618)	(446,947)
Payments for property, plant and equipment		(14,324)	(4,593)
Payments for intangibles		(71,980)	(13,726)
Net cash used in investing activities		(300,922)	(465,266)
Cash flows from financing activities			
Dividends paid	21	(158,509)	(126,807)
Net cash used in financing activities		(158,509)	(126,807)
Net increase/(decrease) in cash and cash equivalents		57,038	(51,209)
Cash and cash equivalents at the beginning of the financial year		325,589	376,798
Cash and cash equivalents at the end of the financial year	12	382,627	325,589

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

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Reporting entity

The financial statements cover Parkdale/Mentone East Community Branch Ltd (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 228 Como Parade West, Parkdale VIC 3195.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Changes in accounting policies, standards and interpretations

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

Accounting standards issued but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements

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

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

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

Current and non-current classification

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

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Investments and other financial assets

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Fair value measurement hierarchy

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

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period

Notes to the financial statements (continued)

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

Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market

Level 3: unobservable inputs for the asset or liability.

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

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

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.

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 2030.

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

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

- sales techniques and proper customer relations
- providing payroll services.

Note 6. Change to comparative figures

Classification of managed funds

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

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparative figures to reclassify managed funds as current investments instead of cash and cash equivalents in the Statement of financial position.

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

- Cash and cash equivalents decreased and investments increased by \$1,230,366 at 30 June 2025.
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Investments in and redemptions of managed funds are now classified within investment activities as reported in the Statement of cash flows.

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

Note 7. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	2,027,658	2,063,790
Fee income	68,387	71,623
Commission income	88,106	77,782
	2,184,151	2,213,195

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

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

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

Note 8. Other revenue

	2026 \$	2025 \$
Net fair value gain/(loss) on financial assets	-	58,208
Dividend and distribution income	31,887	31,887
Rental income	35,084	34,568
Other revenue	66,971	124,663

Notes to the financial statements (continued)

Note 9. Fair value losses on financial assets

	2026 \$	2025 \$
Fair value losses on financial assets	105,785	-

These amounts relate to the decrease in the market value of financial assets held by the company.

Note 10. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	801,393	681,544
Superannuation contributions	85,661	74,932
Expenses related to long service leave	(13,007)	21,004
Other expenses	43,244	34,368
	917,291	811,848

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	22,984	22,983
Improvements	19,205	20,127
Plant and equipment	7,492	5,481
Furniture and fittings	963	965
	50,644	49,556
<i>Amortisation of intangible assets</i>		
Franchise fee	2,299	2,159
Franchise renewal process fee	11,497	10,796
	13,796	12,955
	64,440	62,511

Charitable donations, sponsorships and grants

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	403,650	410,554

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).

Notes to the financial statements (continued)

Note 11. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	171,141	220,791
Movement in deferred tax	(14,449)	(310)
Recognition of deferred tax on investments	-	(5,172)
Net benefit of franking credits on dividends received	(13,666)	(13,666)
Aggregate income tax expense	143,026	201,643
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	606,754	864,000
Tax at the statutory tax rate of 25%	151,689	216,000
Tax effect of:		
Non-deductible expenses	1,586	1,064
Other assessable income	3,417	3,417
Net benefit of franking credits on distributions received	(13,666)	(13,666)
Recognition on deferred tax on financial assets	-	(5,172)
Income tax expense	143,026	201,643

	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	22,275	14,003
Employee benefits	5,958	25,071
Accrued expenses	864	1,175
Income accruals	(3,300)	(2,454)
Financial assets	17,067	(9,380)
Deferred tax asset	42,864	28,415

	2026 \$	2025 \$
Provision for income tax	49,772	100,539

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.

Notes to the financial statements (continued)

Note 12. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	382,627	325,589

Note 13. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	192,647	174,890
Other receivables	1,528	-
Accrued income	13,200	9,814
Prepayments	6,275	6,839
	21,003	16,653
	213,650	191,543

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	213,650	191,543
Less prepayments, included in trade and other receivables	(6,275)	(6,839)
	207,375	184,704

Accounting policy for trade and other receivables

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

Note 14. Financial assets

	2026 \$	2025 \$
Equity securities - designated at fair value through profit or loss	533,988	639,774
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	639,774	581,566
Revaluation increments / (decrements)	(105,786)	58,208
Closing fair value	533,988	639,774

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other financial assets are classified as non-current.

Equity securities - designated at fair value through profit or loss

The company holds shares in an ASX listed company.

Accounting policy for financial assets

Refer to note 22 'Financial risk management'.

Notes to the financial statements (continued)

Note 15. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Managed funds	1,444,984	1,230,366

Refer to note 23 for further information on fair value measurement.

Note 16. Property, plant and equipment

	2026 \$	2025 \$
Land - at cost	356,307	356,307
Buildings - at cost	1,325,191	1,325,191
Less: Accumulated depreciation	(71,865)	(48,881)
	1,253,326	1,276,310
Improvements - at cost	238,961	238,271
Less: Accumulated depreciation	(184,971)	(172,092)
	53,990	66,179
Plant and equipment - at cost	90,681	110,394
Less: Accumulated depreciation	(67,435)	(86,752)
	23,246	23,642
Furniture and fittings - at cost	15,096	19,744
Less: Accumulated depreciation	(11,597)	(15,278)
	3,499	4,466
	1,690,368	1,726,904

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

	Land \$	Buildings \$	Improvements \$	Plant and equipment \$	Furniture and fittings \$	Total \$
Balance at 1 July 2024	356,307	1,299,293	86,306	24,530	5,431	1,771,867
Additions	-	-	-	4,593	-	4,593
Depreciation	-	(22,983)	(20,127)	(5,481)	(965)	(49,556)
Balance at 30 June 2025	356,307	1,276,310	66,179	23,642	4,466	1,726,904
Additions	-	-	7,016	7,308	-	14,324
Disposals	-	-	-	(212)	(4)	(216)
Depreciation	-	(22,984)	(19,205)	(7,492)	(963)	(50,644)
Balance at 30 June 2026	356,307	1,253,326	53,990	23,246	3,499	1,690,368

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.

Notes to the financial statements (continued)

Note 16. Property, plant and equipment (continued)

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

Improvements	4 to 25 years
Plant and equipment	1 to 10 years
Furniture and fittings	3 to 10 years
Buildings	40 years

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

Improvements are depreciated over the estimated useful life of the assets. Land is not depreciated.

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 17. Intangible assets

	2026 \$	2025 \$
Franchise fee	34,089	22,093
Less: Accumulated amortisation	(23,492)	(21,193)
	10,597	900
Franchise renewal fee	170,448	110,465
Less: Accumulated amortisation	(117,463)	(105,967)
	52,985	4,498
	63,582	5,398

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2024	3,059	15,294	18,353
Amortisation expense	(2,159)	(10,796)	(12,955)
Balance at 30 June 2025	900	4,498	5,398
Additions	11,996	59,984	71,980
Amortisation expense	(2,299)	(11,497)	(13,796)
Balance at 30 June 2026	10,597	52,985	63,582

Additions

During the financial year the company renewed the franchise fee for an additional 5 years. This is to be amortised over 5 years to November 2030.

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.

Notes to the financial statements (continued)

Note 17. Intangible assets (continued)

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2030

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

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 18. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	1,100	63,167
Other payables and accruals	111,504	29,361
	112,604	92,528

	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	112,604	92,528
Less statutory payables, included in trade and other payables (net GST payable to the ATO)	(43,367)	(37,471)
	69,237	55,057

Note 19. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	996,950	996,950	996,950	996,950
Bonus shares - fully paid (10:7)	271,122	271,122	-	-
	1,268,072	1,268,072	996,950	996,950

Shareholders were issued 7 shares for every 10 shares held on 21 November 2013. Total bonus shares are 271,122.

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

Notes to the financial statements (continued)

Note 19. Issued capital (continued)

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

In summary, a person has a prohibited shareholding interest if they control or own 10% or more of the shares in the company (the "10% limit").

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.

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%.

Notes to the financial statements (continued)

Note 20. Capital management (continued)

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, sponsorships and grants recognised during the year are disclosed in the statement of profit or loss and other comprehensive income and note 10.

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

Note 21. Dividends

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

	2026 \$	2025 \$
Fully franked dividend of 12.5 cents per share (2025: 10 cents)	158,509	126,807

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	928,497	616,817
Franking credits (debits) arising from income taxes paid (refunded)	208,242	340,282
Franking debits from the payment of franked distributions	(52,836)	(42,268)
Franking credits from franked distributions received	13,666	13,666
	1,097,569	928,497
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	1,097,569	928,497
Franking credits (debits) that will arise from payment (refund) of income tax	49,772	100,539
Franking credits available for future reporting periods	1,147,341	1,029,036

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 and other receivables, trade and other payables, cash and cash equivalents, listed equity securities and managed funds. The company does not have any derivatives.

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

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

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

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

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

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 12)	382,627	325,589
Trade and other receivables excluding prepayments (note 13)	207,375	184,704
Financial assets (note 14)	533,988	639,774
Investments (note 15)	1,444,984	1,230,366
	2,568,974	2,380,433
Financial liabilities		
Trade and other payables (note 18)	69,237	55,057

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

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

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

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates.

The company held cash and cash equivalents of \$382,627 at 30 June 2026 (2025: \$325,589).

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Equity Price risk

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

Liquidity risk

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

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

2026	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	69,237	-	-	69,237
Total non-derivatives	69,237	-	-	69,237

2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	55,057	-	-	55,057
Total non-derivatives	55,057	-	-	55,057

Note 23. Fair value measurement

Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

2026	Level 1 \$	Level 2 \$	Level 3 \$	Total
Assets				
Equity securities	533,988	-	-	533,988
Managed funds	-	1,444,984	-	1,444,984
Total assets	533,988	1,444,984	-	1,978,972

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity securities	639,774	-	-	639,774
Managed funds	-	1,230,366	-	1,230,366
Total assets	639,774	1,230,366	-	1,870,140

Notes to the financial statements (continued)

Note 23. Fair value measurement (continued)

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Key management personnel disclosures

The following persons were directors of Parkdale/Mentone East Community Branch Ltd during the financial year and/or up to the date of signing of these Financial Statements.

Alan Campbell	Joanne Joy Batchelor
James Ashley Cashion	Christopher John Graham
Michael Gerrard Supple	Nicola Clare Harrop
Anna Worsnop	Stephen Thomas Budge
Tyson McGeoch	

Key management personnel compensation comprised the following:

	2026 \$	2025 \$
Short-term employee benefits	60,106	38,000

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

Note 25. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
Sponsorships provided to community organisations where a director holds an association.	3,300	46,077
Services provided by a contractor related to a director of the organisation.	2,570	34,060

Notes to the financial statements (continued)

Note 26. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,420	7,400
<i>Other services</i>		
Taxation advice and tax compliance services	290	290
General advisory services	3,495	3,495
	3,785	3,785
	11,205	11,185

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

	2026 \$	2025 \$
Profit after income tax expense for the year	463,728	662,357
Adjustments for:		
Depreciation and amortisation	64,440	62,511
Net loss on disposal of non-current assets	216	-
(Increase)/decrease in fair value of equity instruments designated at FVTPL	105,786	(58,207)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(22,107)	17,257
Increase in deferred tax assets	(14,449)	(5,482)
Increase/(decrease) in trade and other payables	20,076	(26,427)
Decrease in provision for income tax	(50,767)	(133,157)
Increase/(decrease) in employee benefits	(50,454)	22,012
Net cash provided by operating activities	516,469	540,864

Note 28. Earnings per share

	2026 \$	2025 \$
Profit after income tax	463,728	662,357

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,268,072	1,268,072
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,268,072	1,268,072

	Cents	Cents
Basic earnings per share	36.57	52.23
Diluted earnings per share	36.57	52.23

Notes to the financial statements (continued)

Note 28. Earnings per share (continued)

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Parkdale/Mentone East Community Branch Ltd. by the weighted average number of ordinary shares outstanding during the financial year.

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

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

Directors' declaration

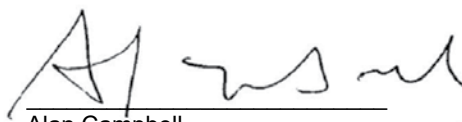
For the financial year ended 30 June 2026

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



Alan Campbell
Chairman
15/9/2026

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the members of Parkdale/Mentone East Community Branch Ltd

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Parkdale/Mentone East Community Branch Ltd (the company), is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

We have audited the financial report of Parkdale/Mentone East Community Branch Ltd, 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
- 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 it 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 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 it contains a material misstatement, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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