Annual Report 2026

Picton & District Community Enterprises Limited

Community Bank Picton & District
ABN 73 145 546 121

Community Bank Report 2026 BEN Message

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

About Community Bank Picton & Districts

Picton and Districts Community Enterprises Ltd. has entered into a franchise agreement with Bendigo and Adelaide Bank that governs the management of the Community Bank. The management by Bendigo and Adelaide includes providing the banking infrastructure, a full range of banking products, training of staff and ongoing support.

Bendigo Bank is one of Australia's oldest financial institutions, having operated since 1858.

Bendigo and Adelaide Bank and our community company share agreed portions of the profits of Community Bank Picton & Districts branch and the community company is responsible for paying the branch running costs.

When our local company begins to make a regular operating surplus from its share of the profits, after the payment of branch running costs, the remaining funds are available to be reinvested back into the community through dividends to shareholders and grants to community groups and projects.

Annual Report

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Picton & District Community Enterprises Ltd.

WHAT WE WANT TO BE?

- At the forefront of people's mind with banking and community involvement
- A profitable Community Bank and a Bank of choice
- Be invited as part of the community
- We want to be connected and engaged

WHAT IS OUR REASON FOR BEING?

To assist and strengthen our community

We Will:	By:
Support and develop the potential and growth of directors and staff	Recognising achievements, maximising skills and staff retention
Develop a cohesive marketing strategy	Extending our reach through a multi-media marketing campaign
Improve our engagement with shareholders customers and our community	Increasing our presence in the community
Be an ethical, transparent and compliant organisation	Implementing good governance practices
Grow the business	Supporting the business plan.

About us...

Community Bank Picton & District Branch opened its doors in 2011.

Starting off as a small business, we have grown steadily each year. Ten years on we continue to provide local banking with quality customer service. We are proud to support our community with funds and involvement. To get this far is a real milestone and testament to the commitment and support of the Picton and district local community.

The branch contributes profits back to the community through its sponsorships & grants program found on page 16 of this Annual Report. The program assists local community groups with a wide range of projects, events and initiatives.

Shares are available to invest in our company and we have been working hard towards being able to provide a dividend for our shareholders.

We are pleased to be able to provide a great opportunity to be a part of a local business with a sustainable future. We employ local people and support our local community.

Our People...

Deputy Chair / Secretary: Evelyn Szumski

Director: Josh Muller

Director: Phil Digger

Our Staff today...

Branch Operations Manager:
Amber O'Brien

Customer Relationship Officer:
Shweta Parasher

Customer Service Officer:
Baxter Sparkes

We'd like to thank the staff below for the wonderful work they did over the last year and to wish them well in their new endevors.

Shaz Kumar

John Maldonado

Message from the Chair...

For year ending 30 June 2026

As we look back on the year, I'm pleased to report meaningful progress toward our vision of growing Community Bank Picton & District —profitably and sustainably.

With our new branch structure established for the last 12 months we find ourselves back in profit. While we continue to find some tweaking was needed throughout the year due to staff changes, our team has continued to develop strongly as they continue with a strong performance once again, with the market remaining very competitive with many challenges that our team continue to navigate.

Our Branch Manager, Amber , has continued doing a fantastic job lifting our visibility, reconnecting with customers, and ensuring they feel genuinely valued. Amber has sharpened our focus on retention and growth and further changes to our staffing structure to enable greater controls in our area.

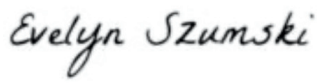
During the year, John and Shanaz left to pursue other opportunities. We thank them for their contributions and wish them every success.

Together with Amber, Baxter, Shweta, I thank our entire team for their commitment to our customers and Community Bank Picton & District.

Staff movements and the associated transition costs impacted profitability this year, and no dividend has been declared for FY2026. Looking ahead, we are firmly focused on growth and are exploring ways to leverage our brand and community reach. The outlook for the current financial year is promising—stay tuned.

I would also like to thank our wonderful Board, who generously volunteer their time to guide effective decision-making and good governance.

Finally, thank you to our shareholders, customers, and community for your continued support during my time on the Board.



Evelyn Szumski
Deputy Chairperson

Message from the Branch Manager...

For year ending 30 June 2026

It is a privilege to present this year's Branch Manager Message and to reflect on an exceptional twelve months for Community Bank Picton & District. Our belief in our community banking model and our community investment are the very bedrock of our existence. Everything we accomplish in the branch starts with faith and sustained commitment to our region.

Celebrating Our Collective Success: Achieving Profitability

I am proud to celebrate our achievement of delivering a profitable financial year. This outcome is a direct reflection of our shared commitment, prudent governance, and the relentless hard work put in across all levels of our business. In a challenging economic climate, turning a profit is not just a financial milestone—it is proof of the strength, trust, and resilience of our Community Bank model.

Most importantly, achieving profitability ensures we can continue reinvesting where it matters most: directly back into our local community through grants, sponsorships, and local banking services that truly make a difference.

Our Heartbeat: The Picton & District Community

Our success is intrinsically linked to the people, families, and local businesses of Picton and the surrounding district. Picton is a tight-knit, resilient community with a unique character and pride. Every day, our customers remind us why community banking exists. Whether it is helping a local family purchase their first home, supporting a local business through economic headwinds, or championing grassroots sporting clubs and community initiatives, our purpose is firmly rooted in serving this region.

The stewardship of our directors has ensured that Community Bank Picton & District remains an essential cornerstone of the local fabric, giving our community an authentic voice and financial partner they can rely on.

Team Transitions and Acknowledgements

Our team on the branch floor is the true face of Community Bank Picton & District. Their passion, professionalism, and genuine care for our customers underpin our success every single day.

I would like to make special mention of the outstanding commitment and ongoing dedication of Baxter and Shweta . Their tireless work ethic,customer-first approach, and drive to uphold ourbranch standards have been fundamental to achieving our operational goals and delivering the positive financial turnaround we celebratetoday. Their continued energy and teamwork ensure our branch remains a welcoming, trusted environment for all members of our community.

Message from the Branch Manager (cont)

As part of this year's journey, we said farewell to two valued team members: John & Shanaz .
We extend our genuine thanks to both John and Shanaz for their service and contributions to our branch, and we wish them every success and fulfillment in their future endeavors.

Looking Ahead to a Prosperous New Year
As we look toward the year ahead, we do so with renewed energy, clear purpose, and deep optimism. With a profitable foundation, strong momentum, and the shared dedication of our shareholders, Board, and staff, we are well positioned for continued growth.

Our focus for the upcoming financial year remains clear:

- Deepening relationships with existing customers while actively welcoming new personal and business clientsto our branch.
- Continuing to expand our lending and deposit portfolios safely and sustainably.
- Maximizing the social dividend returned to our local community.

Acknowledging Our Board of Directors
Our financial turnaround and operational stability would not have been possible without the tireless dedication of our voluntary Board of Directors.

On behalf of the entire branch staff, I want to express our deepest gratitude to the Board for their unwavering leadership, strategic foresight, and hands-on support. Their voluntary commitment of countless hours—balancing regulatory governance, strategic oversight, and active advocacy in the community—empowers our team to focus on what we do best: delivering exceptional service to our customers every single day. The close, supportivepartnership between the Board and our branch team remains one of our greatest competitive strengths.

Amber O’Brien
Branch Manager
Community Bank Picton & District

Directors Report...

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:

Evelyn Szumski
Deputy Chairperson / Secretary
Occupation: Coach and Trainer
Qualifications, experience and expertise: Holding key management and leadership roles within the Telstra corporation for 23 years, Evelyn was regarded as the 'go to' person on a range of corporate areas includingemployee coaching, mentoring, employee rights, nationwide policies, procedures androllout of systems, demonstrating the high regard held for her by the Telstra Corporation.
She also specialises in coaching business owners and company CEOs. Evelyn helps business owners identify their goals, understand and formalise them and strategise the implementation of achieving these goals in simple, easy to manage steps over allocated time frames and practices brain-based coaching being an authorised YB12 coach. Qualifications include being an accredited SEI EQ Assessor, Six Seconds Certified EQ Assessor, YB12 Coach Authorisation, Neuro leadership coaching accreditation, Executive coach Master Business accelerator, Certified Leading Dimensions Profiler, Cert IV TAE, Diploma of Management, Deakin University - Team leader development program and Diploma of Business Administration.
Special responsibilities: Deputy Chairperson / Secretary and Governance Committee
Interest in shares: Nil

Josephus Huibertus Muller
Non-executive Director
Occupation: Retired
Qualifications, experience and expertise: Teaching Certificate (Wagga Wagga Teachers College 1972), Bachelor of Financial Administration (UNE 1986) and Cert IV in Human Resources 2011 Macarthur TAFE. Management Accountant and past Director of Australian Co-operatives Association and Secretary/Treasurer of Buxton Rural Fire Brigade.
Special responsibilities: Finance and Governance Committee
Interest in shares: 500

Phillip Lee Digger
Non-executive Director
Occupation: Small Business Owner
Qualifications, experience and expertise: Upholsterer, Carpet Sales and Flooring layer. Life member of Picton Rugby League Football Club. Tafe in Upholstery & Carpet Laying
Special responsibilities: Nil
Interest in shares: 2001

Leigh Christopher
Non-executive Director (resigned 10 February 2026)
Occupation: Financial Planner
Qualifications, experience and expertise: Leigh is currently working as a Financial Planner.
Special responsibilities: Nil
Interest in shares: Nil

Directors (continued)

Directors were in office for this entire year unless otherwise stated.

No directors have material interest in contracts or proposed contracts with the company.

Company secretary

The company secretary is Evelyn Szumski. Evelyn was appointed to the position of secretary on 15 November 2021.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to $56,611 (30 June 2025: loss of $34,884). Operations have continued to perform in line with expectations.

Dividends

No dividends were declared or paid in the current financial year.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

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

On 12 August 2026, the company executed a renewed Franchise Agreement with Bendigo and Adelaide Bank Limited. The renewed agreement will commence on 11 October 2026 and extends the franchise term for a further five years to 10 October 2031. Under the renewed agreement, the company is committed to future franchise fee payments of approximately $79,141 over the term of the agreement.

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.

Directors (continued)

Meetings of directors

The number of directors meetings (including meetings of committees of director) attended by each of the directors of the company during the financial year were:

	Board Meetings Attended	
	A	B
Evelyn Szumski	11	11
Josephus Huibertus Muller	11	10
Philip Lee Digger	11	10
Leigh Christopher	5	4

A – eligible to attend
B – number attended

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Evelyn Szumski	-	-	-
Josephus Huibertus Muller	500	-	500
Phillip Lee Digger	2,001	-	2,001
Leigh Christopher	-	-	-

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 (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 22 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

Evelyn Szumski

Evelyn Szumski
Deputy Chairperson

18 September 2026

Auditor's independence declaration

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 18 September 2026

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Our Bank Branch – Strategic Plan and Structure

We have been working hard again this year on our strategic plan and refining the new structure for the business. We have also continued to implement our sound market research, promoted Bendigo Bank's products, and got the brand out there - all within a well-considered budget.

Our strategy to use several ways to get the word out about our business without it "breaking the bank" continues and following are some of the initiatives that have been implemented:

- Using our Cabanas to have a physical presence in the Community
- Taking advantage of the Community Bank marketing initiatives and templates
- Designing and promoting our social media presence
- Collaborating with other key community players
- Offering our services and product as a competition prizes
- Promoting referral marketing with the help of our Branch Manger
- Getting our name out there through radio and the print media

Divident Payment History

Dividend to shareholders			
Financial Year	**Amount Per Share**	**Franking Level***	**Date Paid**
2025/2026	No dividend paid		
2024/2025	No dividend paid		
2023/2024	No dividend paid		
2022/2023	No dividend paid		
2021/2022	0.05	Unfranked	29 June 2022
2020/2021	0.05	Unfranked	25 March 2021
2019/2020	0.05	Unfranked	25 March 2020

Trading Shares in Picton & District Community Enterprises Ltd.

Community Bank Picton & District Branch of Bendigo Bank is operated by Picton & District Community Enterprises Limited.

Picton & District Community Enterprises Limited also operates a Special Market called a Low Volume Market (LVM), to facilitate the trading of its shares.

The AFS share registry team provide a comprehensive share register management service for Picton & District Community Enterprises Limited and offer a secure online platform to manage the share registers allowing real time access to registry information by board members and shareholders.

In 2021-22 financial year AFS took over the management of the LVM for Picton & District Community Enterprises Limited. Further information can be found at the following web link.
https://www.afsbendigo.com.au/share-registry/

There are no recent share trades for Picton & District Community Enterprises Limited. In order to buy or sell shares in Picton & District Community Enterprises Limited you must first register your interest formally.

The following web link will enable you register online or download the appropriate forms to complete any transactions in the LVM.
https://www.bendigobank.com.au/branch/nsw/community-bank-picton-district/lvm-shares/

If a registered buyer and seller agree to trade shares, the buyer must first seek approval from the Company's Board by completing the Share Purchase Form and sending to AFS.

Once approved, the registered buyer and seller must complete the Security Transfer Form and send it to AFS.

Stamp Duty may also be payable and it is wise to check with the State Revenue Office for details. If Stamp Duty applies, the buyer must comply with State Revenue Office regulations prior to submitting the Security Transfer Form to AFS.

All LVM interest and transactions should be posted to:

Share Registry Team, AFS & Associates Pty Ltd
Picton & District Community Enterprises Limited
PO Box 454 Bendigo VIC 3552
shareregistry@afsbendigo.com.au

A full list of the interested traders as at 30 June 2026 (including number of shares and desired trading price) is provided as follows:

Buyers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged

Sellers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged
5,000	$ 1.00	5	03/02/2025
500	$ 1.00	20	30/01/2025
6,000	$ 0.50	39	17/04/2025
3,500	$ 1.00	40	09/12/2025
2,500	$ 1.00	7	31/03/2026
10,000	$ 1.00	30	29/05/2023

Special Market Condition Notices - Low Volume Market (LVM)

Picton & District Community Enterprises Limited does not hold a license to operate a financial market and is not subject to market obligations, in particular the obligation to ensure that the market is fair, transparent and orderly.

The market is covered by an exemption under section 791C of the Corporations Act. Picton & District Community Enterprises Limited does not provide a settlement service for trading in the market – it is the responsibility of the parties to a transaction to arrange payment between themselves.

Shares in Picton & District Community Enterprises Limited have characteristics that may differ from mainstream securities.

Special characteristics of Community Bank companies

- **'**One shareholder one vote' constitutions rather than 'one share one vote'.
- Shareholder limit of 10% of issued capital for individuals and related entities.
- There is a limit on profits that can be distributed to shareholders, including through dividends. By way of overview, the limit is the higher of: (a) 20% of the profits of the Company otherwise available for distribution to shareholders in the financial year, and (b) the relevant rate of return (being the weighted average interest rate on 90 day bank bills over the 12 month period plus 5%) multiplied by the average level of share capital over the 12 month period.
- Persons who do not possess a "close connection" with the community served by Picton & District Community Enterprises Limited can be prohibited from acquiring shares in the Company.
- Share transfers which result in the number of shareholders in Picton & District Community Enterprises Limited falling below a fixed "Base Number" will be prohibited.
- These restrictions are intended to embed the community nature of Picton & District Community Enterprises Limited.
- Directors of Picton & District Community Enterprises Limited have the right to refuse to register any transfer of shares in their unlimited discretion.
- Full details of the restrictions on holding shares and Directors' powers to refuse to register a transfer of shares are set out in the Company's constitution. A copy of the constitution is available on request from the Company Secretary
- Stamp duty may apply in your State/Territory. Please refer to the State Revenue Office in your State for details.

Investor relations...

Shareholders - Contact Us

Company Details:

Picton & District Community Enterprises Ltd
ABN - 73 145 546 12
PO Box 660
Picton NSW 2571

Shop T20 Picton Mall,
9-13 Margaret St Picton NSW 2571

Secretary Details:

Evelyn Szumski
c/- PO Box 660 PICTON NSW 2571
Phone: 0428553900

Share Registry and LVM management Details:

AFS & Associates Pty Ltd
61-65 Bull Street
Bendigo VIC 3550

Postal Address
PO Box 454
Bendigo VIC 3552

Phone: 03 5443 0344
Fax: 03 5443 5304

Email: shareregistry@afsbendigo.com.au
Web: www.afsbendigo.com.au

Picton & District Community Enterprises Limited

ABN: 73 145 546 121

Financial Report

For the year ended

30 June 2026

The directors present the financial statements of the company for the financial year ended 30 June 2026.

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

	Note	2026 $	2025 $
Revenue from contracts with customers	6	709,091	714,275
Other revenue		5,999	6,000
Finance revenue		8,366	9,614
Total revenue		723,456	729,889
Employee benefits expense	7	(457,631)	(555,540)
Advertising and marketing costs		(1,301)	(2,754)
Occupancy and associated costs		(9,887)	(9,058)
System costs		(18,762)	(21,013)
Depreciation and amortisation expense	7	(73,344)	(70,079)
Finance costs		(2,925)	(4,882)
General administration expenses		(78,888)	(93,020)
Total expenses before community contributions and income tax		(642,738)	(756,346)
Profit/(loss) before community contributions and income tax (expense)/benefit		80,718	(26,457)
Charitable donations and sponsorships expense		(5,236)	(20,055)
Profit/(loss) before income tax		75,482	(46,512)
Income tax	8	(18,871)	11,628
Profit/(loss) after income tax for the year		56,611	(34,884)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		56,611	(34,884)
		Cents	**Cents**
Basic earnings per share	24	6.40	(3.94)
Diluted earnings per share	24	6.40	(3.94)

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

Picton & District Community Enterprises Limited
Statement of financial position
For the year ended 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	515,301	308,479
Trade and other receivables	10	68,788	61,603
Investments	11	-	166,001
Current tax assets	8	-	8,960
Total current assets		584,089	545,043
Non-current assets			
Property, plant and equipment	12	30,958	22,743
Right-of-use assets	13	102,281	41,282
Intangible assets	14	3,282	16,409
Deferred tax assets	8	31,871	50,741
Total non-current assets		168,392	131,175
Total assets		752,481	676,218
Liabilities			
Current liabilities			
Trade and other payables	15	57,371	73,988
Lease liabilities	16	49,753	47,374
Employee benefits		15,483	29,634
Provisions		26,076	28,632
Total current liabilities		148,683	179,628
Non-current liabilities			
Lease liabilities	16	52,689	-
Employee benefits		895	2,987
Total non-current liabilities		53,584	2,987
Total liabilities		202,267	182,615
Net assets		550,214	493,603
Equity			
Issued capital	17	848,252	848,252
Accumulated losses		(298,038)	(354,649)
Total equity		550,214	493,603

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

Picton & District Community Enterprises Limited

Statement of changes in equity

For the year ended 30 June 2026

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2024	848,252	(319,765)	528,487
Loss after income tax expense	-	(34,884)	(34,884)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(34,884)	(34,884)
Balance at 30 June 2025	848,252	(354,649)	493,603
Balance at 1 July 2025	848,252	(354,649)	493,603
Profit after income tax expense	-	56,611	56,611
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	56,611	56,611
Balance at 30 June 2026	848,252	(298,038)	550,214

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

Picton & District Community Enterprises Limited

Statement of cash flows

For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		781,030	796,169
Payments to suppliers and employees (inclusive of GST)		(675,096)	(754,126)
Interest received		5,736	13,353
Interest and other finance costs paid		-	(7,035)
Income taxes refunded/(paid)		8,959	(1,310)
Net cash provided by operating activities	23	120,629	47,051
Cash flows from investing activities			
Payments for property, plant and equipment	12	(25,618)	(3,714)
Payments for intangible assets		-	(13,714)
Redemption of/(investment in) term deposits		166,001	(9,504)
Net cash provided by/(used in) investing activities		140,383	(26,932)
Cash flows from financing activities			
Interest and other finance costs paid		(1,530)	(3,462)
Repayment of lease liabilities		(52,660)	(46,146)
Net cash used in financing activities		(54,190)	(49,608)
Net increase/(decrease) in cash and cash equivalents		206,822	(29,489)
Cash and cash equivalents at the beginning of the financial year		308,479	337,968
Cash and cash equivalents at the end of the financial year	9	515,301	308,479

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

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop T20 Picton Mall, 9 Margaret Street, Picton NSW 2571.

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

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

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.

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.

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

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.

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.

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

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with 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 its franchise agreement with Bendigo Bank to generate revenue.

On 12 August 2026, the company executed a renewed Franchise Agreement with Bendigo and Adelaide Bank Limited. The renewed agreement will commence on 11 October 2026 and extends the franchise term for a further five years to 10 October 2031. Under the renewed agreement, the company is committed to future franchise fee payments of approximately $79,141 over the term of the agreement.

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.

Note 5. Economic dependency (continued)

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2026 $	2025 $
Margin income	651,618	662,103
Fee income	30,411	32,496
Commission income	27,062	19,676
	709,091	714,275

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.

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 7. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	389,617	473,093
Superannuation contributions	45,990	52,629
Expenses related to long service leave	(2,092)	1,528
Other expenses	24,116	28,290
	457,631	555,540

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	15,437	13,708
Plant and equipment	1,966	2,306
	17,403	16,014
Depreciation of right-of-use assets		
Leased land and buildings	42,814	40,938
Amortisation of intangible assets		
Franchise fee	2,188	2,187
Franchise renewal fee	10,939	10,940
	13,127	13,127
	73,344	70,079

Note 8. Income tax

	2026 $	2025 $
Income tax expense/(benefit)		
Movement in deferred tax	8,742	(11,628)
Recoupment of prior year tax losses	10,129	-
Aggregate income tax expense/(benefit)	18,871	(11,628)
Prima facie income tax reconciliation		
Profit/(loss) before income tax	75,482	(46,512)
Tax at the statutory tax rate of 25%	18,871	(11,628)
Income tax expense/(benefit)	18,871	(11,628)

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Tax losses	14,587	24,716
Property, plant and equipment	5,344	7,964
Employee benefits	4,095	8,155
Lease liabilities	25,609	11,844
Provision for lease make good	6,519	7,158
Accrued expenses	1,287	1,225
Right-of-use assets	(25,570)	(10,321)
Deferred tax asset	31,871	50,741

	2026 $	2025 $
Income tax refund due	-	8,960

Note 8. Income tax (continued)

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

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

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

Note 9. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	515,301	308,479

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	61,693	56,727
Other receivables and accruals	2,757	479
Prepayments	4,338	4,397
	7,095	4,876
	68,788	61,603

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	68,788	61,603
Less prepayments	(4,338)	(4,397)
	64,450	57,206

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

Note 11. Investments

	2026 $	2025 $
Current assets		
Term deposits	-	166,001

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	143,496	117,878
Less: Accumulated depreciation	(118,119)	(102,682)
	25,377	15,196
Plant and equipment - at cost	73,898	73,898
Less: Accumulated depreciation	(68,317)	(66,351)
	5,581	7,547
	30,958	22,743

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2024	27,714	7,329	35,043
Additions	1,190	2,524	3,714
Depreciation	(13,708)	(2,306)	(16,014)
Balance at 30 June 2025	15,196	7,547	22,743
Additions	25,618	-	25,618
Depreciation	(15,437)	(1,966)	(17,403)
Balance at 30 June 2026	25,377	5,581	30,958

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	4 to 10 years
Plant and equipment	4 to 10 years

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

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

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

Note 13. Right-of-use assets

	2026 $	2025 $
Land and buildings - right-of-use	348,587	244,774
Less: Accumulated depreciation	(246,306)	(203,492)
	102,281	41,282

Note 13. Right-of-use assets (continued)

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

	Land and buildings $
Balance at 1 July 2024	78,516
Remeasurement adjustments	3,704
Depreciation expense	(40,938)
Balance at 30 June 2025	41,282
Remeasurement adjustments	103,813
Depreciation expense	(42,814)
Balance at 30 June 2026	102,281

Remeasurement adjustments
During the year ended 30 June 2026, the company extended the branch lease agreement to 30 June 2028. This resulted in increase of $107,728 to lease liabilities and $103,813 to right-of-use assets.

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2026 $	2025 $
Franchise fee	32,131	32,131
Less: Accumulated amortisation	(31,584)	(29,396)
	547	2,735
Franchise renewal fee	110,657	110,657
Less: Accumulated amortisation	(107,922)	(96,983)
	2,735	13,674
	3,282	16,409

Note 14. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2024	4,922	24,614	29,536
Amortisation expense	(2,187)	(10,940)	(13,127)
Balance at 30 June 2025	2,735	13,674	16,409
Amortisation expense	(2,188)	(10,939)	(13,127)
Balance at 30 June 2026	547	2,735	3,282

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2031
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2031

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

Note 15. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	18,648	8,049
Other payables and accruals	38,723	65,939
	57,371	73,988

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	57,371	73,988
Less statutory payables, included in trade and other payables	(12,615)	(13,403)
	44,756	60,585

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	49,753	47,374
Non-current liabilities		
Land and buildings lease liabilities	52,689	-
	102,442	47,374

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	47,374	93,278
Remeasurement adjustments	107,728	3,704
Lease interest expense	1,530	3,462
Lease payments - total cash outflow	(54,190)	(53,070)
	102,442	47,374

Remeasurement adjustments
During the year ended 30 June 2026, the company extended the branch lease agreement to 30 June 2028. This resulted in increase of $107,728 to lease liabilities and $103,813 to right-of-use assets.

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Picton branch	7.26%	2 years	Nil	N/A	June 2028

Note 17. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	884,509	884,509	884,509	884,509
Less: Equity raising costs	-	-	(36,257)	(36,257)
	884,509	884,509	848,252	848,252

Note 17. Issued capital (continued)

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.

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 192. As at the date of this report, the company had 210 shareholders (2025: 209 shareholders).

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

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

Note 17. Issued capital (continued)

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 18. Capital management

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

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

The distribution limit is the greater of:
- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive income.

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

Note 19. Financial risk management

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

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

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

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

Note 19. 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 at amortised cost		
Trade and other receivables (note 10)	64,450	57,206
Cash and cash equivalents (note 9)	515,301	308,479
Term deposits (note 11)	-	166,001
	579,751	531,686
Financial liabilities		
Trade and other payables (note 15)	44,756	60,585
Lease liabilities (note 16)	102,442	47,374
	147,198	107,959

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.

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 $515,301 at 30 June 2026 (2025: $308,479) and term deposits of $nil at 30 June 2026 (2025: $166,001)

Note 19. Financial risk management (continued)

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

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

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

2026	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	44,756	-	-	44,756
Lease liabilities	56,114	58,359	-	114,473
Total non-derivatives	100,870	58,359	-	159,229

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Other payables	60,585	-	-	60,585
Lease liabilities	54,007	114,473	-	168,480
Total non-derivatives	114,592	114,473	-	229,065

Note 20. Key management personnel disclosures

The following persons were directors of Picton & District Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements

Evelyn Szumski
Phillip Lee Digger
Josephus Huibertus Muller
Leigh Christopher

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 21. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

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
There were no transactions with related parties during the current and previous financial year.

Note 22. Remuneration of auditors

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

	2026 $	2025 $
Audit services		
Audit or review of the financial statements	8,185	7,020
Other services		
Taxation advice and tax compliance services	290	265
General advisory services	5,583	3,590
Share registry services	5,892	4,800
	11,765	8,655
	19,950	15,675

Note 23. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit/(loss) after income tax for the year	56,611	(34,884)
Adjustments for:		
Depreciation and amortisation	73,344	70,079
Lease liabilities interest	1,530	(3,462)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(7,185)	7,806
Decrease/(increase) in income tax refund due	8,960	(1,310)
Decrease/(increase) in deferred tax assets	18,870	(11,628)
Increase/(decrease) in trade and other payables	(12,702)	11,197
Increase/(decrease) in employee benefits	(16,243)	7,945
Increase/(decrease) in other provisions	(2,556)	1,308
Net cash provided by operating activities	120,629	47,051

Note 24. Earnings per share

	2026 $	2025 $
Profit/(loss) after income tax	56,611	(34,884)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	884,509	884,509
Weighted average number of ordinary shares used in calculating diluted earnings per share	884,509	884,509
	Cents	**Cents**
Basic earnings per share	6.40	(3.94)
Diluted earnings per share	6.40	(3.94)

Note 24. 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 Picton & District Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. 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.

On 12 August 2026, the company executed a renewed Franchise Agreement with Bendigo and Adelaide Bank Limited. The renewed agreement will commence on 11 October 2026 and extends the franchise term for a further five years to 10 October 2031. Under the renewed agreement, the company is committed to future franchise fee payments of approximately $79,141 over the term of the agreement.

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

Directors' Declaration.

Picton & District Community Enterprises 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

Evelyn Szumski

Evelyn Szumski
Deputy Chairperson

18 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 Directors of Picton & District Community Enterprises Limited

Report on the Audit of the Financial Report

Our Opinion

IIn our opinion, the accompanying financial report of Picton & District Community Enterprises Limited (the company), is in accordance with the Corporations Act 2001, including:

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

What we have audited

We have audited the financial report of Picton & District Community Enterprises Limited (the company), which comprises the:

- 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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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.

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.

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Auditor's responsibilities for the Audit of the Financial Report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 18 September 2026

Joshua Griffin
Lead Auditor

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Bendigo Bank

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