

Annual Report 2026

Port Lincoln Community
Enterprises Limited

Community Bank
Port Lincoln

ABN 29 127 996 187



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Chair's report

For year ending 30 June 2026

Community Bank Port Lincoln continues to deliver high quality banking services, achieving strong business and community investment results in an on-going challenging environment. Your Directors, Managers and staff remain focused on our company Purpose: **A viable and successful community-owned bank contributing significantly to community outcomes.**

Our Senior Branch Manager's Report provides detail on our footings position, ending the financial year at \$380.5 million, reflecting annual change of -1%. For the third successive year we saw a decline in lending, compounded in 2025-26 by a negative change in deposits footings.

However, revenue and profit remained strong, together with under-spend in employment costs, producing a 2025-26 profit of \$872,000 before tax, sponsorships, donations and dividend payments. Retained earnings and company equity increased slightly in 2025-26.

This allowed us to contribute \$500,000 into the Bendigo Banks Community Foundation for future community investment. We also invested over \$760,000 supporting many valuable and diverse community initiatives through sponsorships, grants and scholarships. Our Bendigo Banks Community Foundation balance is very strong at \$1.8 million (with some commitments and the 2026 Grants round expected to reduce that balance).

Prue resigned from her role as Senior Branch Manager in December 2025 and Rebbecca also concluded her contract as Community Engagement Advisor in March 2026. These two key roles have been taken up by Lisa and Max respectively and we look forward to their skills, experience and fresh ideas adding momentum to our Company Purpose. Our Branch staff now totals 9.4 FTE positions.

Our three year Strategic Plan prioritises stabilising lending levels while seeking growth opportunities, to continue delivering strong community investment. In a highly competitive and regulated environment, we also need to stabilise our deposit footings.

I thank our Bendigo Bank Regional Manager Sheridan Travis, who has worked with us to support all aspects of our business. Bendigo Bank's 'model evolution' work has continued, albeit set back by the higher priority of Bendigo's Anti-Money Laundering systems response to recent compliance issues. The model evolution is expected to present opportunities and require changes in how we work together, intended to ensure long-term sustainability of the community bank model.

Through 2025-26 we welcomed new Directors Jo Calliss and Jodie Isle. We currently have a Board of nine Directors with a strong skills base and diversity of experience, and we continue to pursue potential succession options.

The banking business environment continues to challenge us with very strong competition and a range of scam, fraud, compliance and regulatory pressures. With increasingly digital-first customers, we will need strategies for digital engagement and business growth. However, our community-driven purpose will continue to be the critical point of difference.

I thank the Board of Directors, Managers, our local and loyal staff, and shareholders for their on-going commitment to our empowering social enterprise through 2025-26.



Rob Donaldson
Chair
PLCE Ltd

Manager's report

For year ending 30 June 2026

It is an absolute privilege to present my first Senior Branch Manager's Report to the shareholders, Board of Directors, staff, and community members of the Community Bank Port Lincoln. My journey with Community Bank Port Lincoln commenced in April 2026, when I stepped into the role of Senior Branch Manager. Taking over the reins of such a vital community institution was both an exciting opportunity and a significant responsibility. I want to begin by acknowledging my predecessor, Prue, whose long-standing dedication and leadership laid an incredibly strong foundation for our branch. I must also extend my deepest gratitude to Shari, who stepped up as our acting Senior Branch Manager during the six-month interim transition period before my arrival. Shari's leadership, stability, and care ensured our branch remained focused and our customers well-supported during a critical time of change.

The 2025/2026 financial year presented a challenging economic landscape. Persistent inflation, high cost-of-living pressures, and financial uncertainty across the broader Australian economy heavily influenced consumer sentiment and borrowing behaviours.

In this tight and highly competitive environment, we closed the financial year with total footings of \$380M and wore a minor backwards growth of \$1.2M. While we always strive for forward growth, maintaining this level of total footings under such demanding conditions demonstrates the underlying strength of our portfolio and the deep loyalty of our customer base. Our agribusiness, commercial, and personal banking clients continue to see the value in partnering with a bank that stands by them in complex times.

Nationally, December 2025 saw the migration of more than 180,000 Adelaide Bank customers to the Bendigo Bank platform. In 2026 our new streamlined home lending platform was successfully rolled out, and we are already seeing and hearing excellent feedback regarding faster turnaround times from both our home lenders and valued customers.

What sets us apart is our unique model: the more our community banks with us, the more we can give back. Profits generated from everyday banking business are directly reinvested back into Port Lincoln and the surrounding district.

In 2026, we proudly contributed over \$760,000 to local projects, clubs, and groups. Notable community investments this year included:

- Bendigo Bank Tunarama Festival
- Mortlock Shield
- Lincoln South Football Club, Centenary Oval club rooms upgrade
- Bendigo Bank Long Lunch
- SA Variety Bash (Supporting the Runaway Brides)
- Port Lincoln Art Prize - Major Award

As we look to the year ahead, our focus is clear: connection and growth. We want to empower more local people and businesses to reach their financial goals. I encourage all our shareholders and community members to act as ambassadors for our branch. If you, your family, or your colleagues are looking to purchase a home, refinance, grow a business, or secure their savings, please connect them directly with our local specialists in personal banking and home lending.

By bringing more banking business to our branch, we collectively ensure that Port Lincoln remains a vibrant, well-funded, and deeply connected community.

Thank you to our dedicated Board of Directors, our hard-working staff, and most importantly, our shareholders and customers. Your choice to bank with purpose is what makes all of this possible.

Lisa Todd
Senior Branch Manager

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

Directors' report

For the year ended 30 June 2026

The Directors present their report, together with the financial statements, on Port Lincoln Community Enterprises Ltd for the financial year ended 30 June 2026.

Board of Directors

The following persons were Directors of Port Lincoln Community Enterprises Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Rob Donaldson

Title:	Chair
Qualifications:	Bachelor of Arts (Planning), Graduate Diploma in Environmental Planning.
Experience & Expertise:	Retired after a 38 year career in local government in SA and NSW, including urban planning, project management, strategic planning, leadership and CEO.

Michael Tarin

Title:	Treasurer
Qualifications:	Bachelor of Commerce and Applied Finance, Chartered Accountant, Tax Agent
Experience & Expertise:	A Director at RSM Port Lincoln. 10 years of business advisory experience. Many years experience with various community organisations.

Diana Smith

Title:	Non-Executive Director
Qualifications:	Bachelor of Education, Diploma in Teaching, Diploma in Export Management, Graduate Diploma in Agriculture.
Experience & Expertise:	Experience in education, including international education and small business management, active involvement with many local organisations.

Mark Carr

Title:	Non-Executive Director
Experience & Expertise:	40 years owning and operating farm supplies, seafood and fishing businesses.

Timothy Gurney

Title:	Non-Executive Director
Qualifications:	Diploma of Management, Diploma in Transport & Logistics, Diploma in Front Line Management.
Experience & Expertise:	Appointed as Director 15 March 2021. 28yrs in commodity storage and management across SA, NSW & Vic. Business development/building port infrastructure associated with multiple revenue streams aligned to client/user functions.

David Reid

Title:	Non-Executive Director
Experience & Expertise:	Thirty years' experience as Executive General Manager – Trucks for the Eagers Automotive Group, an ASX200 listed public company. Recently retired from my most recent position as Executive Advisor to the President of Velocity Vehicle Group, a US based truck dealer group that had acquired the Daimler Truck franchises previously held by the Eagers Automotive Group Ltd.

Directors' report (continued)

Lydia Ho	
Title:	Non-Executive Director
Qualifications:	Admitted to the High Court of Australia, Commissioner of taking of affidavits in South Australia, Masters of Laws, Bachelors (Hon) of Law and International Relations.
Experience & Expertise:	Lawyer at Mellor Olsson Port Lincoln, years of professional experience in legal field & contract review.

Joanne Calliss	
Title:	Non-Executive Director
Qualifications:	Bachelor of Business (Accounting), Diploma Risk Management & Business Continuity, Cert IV Frontline Management, Cert IV Occupational Health & Safety.
Experience & Expertise:	Leads SA risk consulting team, working with Local Governments across the state. Previous experience in Local Government (administration and elected member) and risk, procurement and finance roles in mining, manufacturing and education as well as consumer and commercial banking. Appointed 25th August 2025.

Jodie Isle	
Title:	Non-Executive Director
Qualifications:	Bachelor Arts (Planning), Graduate Diploma in Regional and Urban Planning, Advanced Diploma of Conveyancing
Experience & Expertise:	4 years experience in conveyancing and current owner of a local practice. 27 years experience in urban and regional planning in state government, local government and private practice in SA, NT and Vic. Involvement with local sporting organisations. Appointed 24th November 2025.

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

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings		Audit Committee	
	A	B	A	B
Rob Donaldson	11	11	2	2
Michael Tarin	11	9	2	2
Diana Smith	11	11	-	-
Mark Carr	11	10	-	-
Timothy Gurney	11	10	-	-
David Reid	11	9	2	2
Lydia Ho	11	8	2	2
Joanne Calliss	9	9	-	-
Jodie Isle	6	4	-	-

A - The number of meetings eligible to attend.

B - The number of meetings attended.

- - Not a member of that committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Amanda Pearce	
Experience & Expertise:	Experience in senior local government administration and related governance roles.

Directors' report (continued)

Principal Activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit of the Company for the financial year after provision for income tax was:

	30 June 2026	30 June 2025	Movement
Profit After Tax	141,621	175,891	-19%

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.

Director's interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2025	Changes During the Year	Balance at 30 June 2026
Rob Donaldson	-	5,500	5,500
Michael Tarin	-	-	-
Diana Smith	-	-	-
Mark Carr	5,000	-	5,000
Timothy Gurney	-	-	-
David Reid	-	-	-
Lydia Ho	-	-	-
Joanne Calliss	-	-	-
Jodie Isle	-	-	-

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	12.50	\$112,501
Total Amount	12.50	\$112,501

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the Company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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*.

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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 28 to the accounts.

Directors' report (continued)

The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 on page 10 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Port Lincoln, SA.



Michael Tarin
Director

Dated this 8th day of September 2026

Auditor's independence declaration



Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of *Port Lincoln Community Enterprises Limited*

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Port Lincoln Community Enterprises Limited. As the lead auditor for the audit of the financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'RSD Audit'.

RSD Audit

A handwritten signature in black ink that appears to read 'Tyson Holt'.

Tyson Holt
9 September 2026

Financial statements

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue			
Revenue from contracts with customers	7	2,180,287	2,039,468
Other revenue	8	-	10,725
Finance income	9	28,703	30,820
		2,208,990	2,081,013
Expenses			
Employee benefits expense	10(a)	(875,496)	(914,313)
Depreciation and amortisation	10(b)	(110,730)	(110,578)
Finance costs	10(c)	(6,052)	(9,423)
Administration and general costs		(194,126)	(148,771)
Occupancy expenses		(42,774)	(53,315)
IT expenses		(29,171)	(29,646)
Freight expenses		(5,347)	(6,394)
Other expenses		(73,102)	(55,869)
		(1,336,798)	(1,328,309)
Operating profit before charitable donations and sponsorship		872,192	752,704
Charitable donations and sponsorship	10(d)	(683,304)	(518,247)
Profit before income tax		188,888	234,457
Income tax expense	11	(47,267)	(58,566)
Profit for the year after income tax		141,621	175,891
Total comprehensive income for the year		141,621	175,891
Profit attributable to the ordinary shareholders of the company		141,621	175,891
Total comprehensive income attributable to ordinary shareholders of the company		141,621	175,891
Earnings per share		¢	¢
- basic and diluted earnings per share	30	15.74	19.54

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	12	278,332	324,026
Trade and other receivables	13	205,674	178,212
Financial assets	14	797,925	770,232
Current tax asset	19	-	18,924
Other assets	15	17,867	18,037
Total current assets		1,299,798	1,309,430
Non-current assets			
Property, plant and equipment	16	98,164	82,177
Right-of-use assets	17	102,041	172,748
Intangible assets	18	24,741	39,331
Deferred tax assets	19	8,837	13,638
Total non-current assets		233,783	307,894
Total assets		1,533,581	1,617,323
Liabilities			
Current liabilities			
Trade and other payables	20	46,263	72,951
Current tax liability	19	5,961	-
Lease liabilities	21	73,377	73,377
Employee benefits	22	35,702	59,750
Total current liabilities		161,303	206,078
Non-current liabilities			
Trade and other payables	20	14,585.00	14,585
Lease liabilities	21	19,099	95,847
Employee benefits	22	18,581	9,919
Total non-current liabilities		52,265	120,351
Total liabilities		213,568	326,429
Net assets		1,320,013	1,290,892
Equity			
Issued capital	23	900,008	900,008
Retained Earnings	24	420,005	390,885
Total equity		1,320,013	1,290,892

The accompanying notes form part of these financial statements

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		900,008	327,495	1,227,503
Comprehensive income for the year				
Profit for the year		-	175,891	175,891
Transactions with owners in their capacity as owners				
Dividends paid or provided	29	-	(112,501)	(112,501)
Balance at 30 June 2025		900,008	390,885	1,290,893
Balance at 1 July 2025		900,008	390,885	1,290,893
Comprehensive income for the year				
Profit for the year		-	141,621	141,621
Transactions with owners in their capacity as owners				
Dividends paid or provided	29	-	(112,501)	(112,501)
Balance at 30 June 2026		900,008	420,005	1,320,013

The accompanying notes form part of these financial statements

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		2,151,820	2,061,257
Payments to suppliers and employees		(1,912,872)	(1,805,299)
Interest received		28,703	30,820
Income tax paid		(36,165)	(74,634)
Net cash flows provided by operating activities	25b	231,486	212,144
Cash flows from investing activities			
Purchase of property, plant and equipment		(45,692)	(27,342)
Purchase of investments		(14,589)	(30,245)
Purchase of intangible assets		(27,650)	(14,585)
Net cash flows used in investing activities		(87,931)	(72,172)
Cash flows from financing activities			
Repayment of lease liabilities		(76,748)	(73,377)
Dividends paid		(112,501)	(112,501)
Net cash flows used in financing activities		(189,249)	(185,878)
Net decrease in cash held		(45,694)	(45,906)
Cash and cash equivalents at beginning of financial year		324,026	369,932
Cash and cash equivalents at end of financial year	25a	278,332	324,026

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Corporate Information

These financial statements and notes represent those of Port Lincoln Community Enterprises Ltd (the Company) as an individual entity. Port Lincoln Community Enterprises Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 10th September 2026.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 27.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Bank branch:

Port Lincoln 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.

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.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (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 the relevant Bendigo Bank entity 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
- 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.

(b) 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the Company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee Income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo and Adelaide Bank entities 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 and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(c) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income 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.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Franchise Fees	Straight line	5 Years
Leasehold improvements	Straight line	10 Years
Furniture & fittings	Straight line	5 Years
Motor vehicles	Straight line	5 years
Borrowing costs	Straight line	5 Years

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets 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
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (*continued*)

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2026.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

- the exercise price under a purchase option the Company is reasonably certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2026 that are expected to have a significant impact on the Company's financial statements.

(n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the financial statements (continued)

Note 4. Significant Accounting Judgements, Estimates & Assumptions

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 21 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options.
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors.

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Note 22 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation.

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

Notes to the financial statements (continued)

Note 5. Financial Risk Management (continued)

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2026		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	92,476	79,843	15,771	-

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk.

The Company held cash and cash equivalents of \$278,332 at 30 June 2026 (2025: \$324,026). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) 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 year ended 30 June 2026 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.

Notes to the financial statements (continued)

Note 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2026 \$	2025 \$
Revenue		
- Revenue from contracts with customers	2,180,287	2,039,468
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	1,812,234	1,701,349
- Fee income	104,458	111,030
- Commission income	263,595	227,089
	2,180,287	2,039,468

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2026 \$	2025 \$
Other Revenue		
- Rebates & Incentives	-	10,725
	-	10,725

Note 9. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2026 \$	2025 \$
Finance Income		
<i>At amortised cost:</i>		
- Interest from term deposits	28,703	30,820
	28,703	30,820

Notes to the financial statements (continued)

Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2026 \$	2025 \$
Employee Benefits Expense		
- Wages & salaries	750,412	818,785
- Superannuation costs	93,926	90,829
- Other expenses related to employees	31,158	4,699
	875,496	914,313

(b) Depreciation & Amortisation Expense

	2026 \$	2025 \$
Depreciation of Non-current Assets		
- leasehold improvements	16,499	16,499
- furniture and fittings	6,173	8,782
- motor vehicles	2,761	-
	25,433	25,281
Depreciation of Right-of-use Assets		
- leased buildings	70,707	70,707
	70,707	70,707
Amortisation of Intangible Assets		
- franchise fees	14,590	14,590
	14,590	14,590
Total depreciation & amortisation expense	110,730	110,578

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	Note	2026 \$	2025 \$
Finance Costs			
- Interest paid		6,052	9,423
		6,052	9,423

Finance costs are recognised as expenses when incurred using the effective interest rate.

Notes to the financial statements (continued)

Note 10. Expenses (continued)

(d) Community Investments & Sponsorship

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 and grants).

	Note	2026 \$	2025 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		183,304	168,245
- Contribution to the Community Enterprise Foundation™	10(e)	500,000	350,002
		683,304	518,247

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

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

(e) Community Enterprise Foundation™ (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2026 \$	2025 \$
Disaggregation of CEF Funds			
Opening balance		1,758,196	1,682,924
Contributions paid - Donation	10(d)	500,000	350,002
Contributions paid - Other		26,316	18,421
Grants paid out		(578,508)	(369,409)
Interest received		47,306	55,386
GST		49,236	23,309
Management fees incurred		(26,313)	(18,421)
Market movement in Wholesale Funds		-	-
Wholesale funds income distributions		23,273	15,984
Balance available for distribution		1,799,506	1,758,196

Notes to the financial statements (continued)

Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2026 \$	2025 \$
Current tax expense	42,466	46,779
Deferred tax expense	4,801	11,787
	47,267	58,566

(b) *Prima Facie* Tax Payable

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2026 \$	2025 \$
Prima facie tax on profit before income tax at 25% (2025: 25%)	47,222	58,614
Add Tax Effect Of:		
- Under / (over) provision of prior years	-	(48)
Income tax attributable to the entity	47,222	58,566
The applicable weighted average effective tax rate is:	25%	25%

Notes to the financial statements (continued)

Note 12. Cash & Cash Equivalents

	2026 \$	2025 \$
Cash at bank and on hand	278,332	324,026
	278,332	324,026

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 13. Trade & Other Receivables

	2026 \$	2025 \$
Current		
Trade receivables	205,674	178,211
	205,674	178,211

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 14. Financial Assets

	2026 \$	2025 \$
At Amortised Cost		
Term deposits	797,925	770,232
	797,925	770,232

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Other Assets

	2026 \$	2025 \$
Prepayments	11,483	12,661
Accrued Income	6,384	5,376
	17,867	18,037

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Notes to the financial statements (continued)

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2026 \$			2025 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	434,086	401,386	32,700	434,086	384,887	49,199
Motorvehicles	41,421	2,761	38,660	-	-	-
Furniture & fittings	153,739	126,935	26,804	149,468	116,490	32,978
Computer Software	10,409	10,409	-	10,409	10,409	-
Total	639,655	541,491	98,164	593,963	511,786	82,177

(b) Movements in Carrying Amounts

2026	Leasehold Imp. \$	Furniture & Fittings \$	Motor Vehicles \$	Total
Opening carrying value	49,200	32,977	-	82,177
Additions	-	-	41,421	41,421
Depreciation expense	(16,499)	(6,173)	(2,761)	(25,433)
Closing carrying value	32,701	26,804	38,660	98,165

2025	Leasehold Imp. \$	Furniture & Fittings \$	Motor Vehicles \$	Total
Opening carrying value	65,699	14,419	-	80,118
Additions	-	27,340	-	27,340
Depreciation expense	(16,499)	(8,782)	-	(25,281)
Closing carrying value	49,200	32,977	-	82,177

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2026 (2025: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Notes to the financial statements (continued)

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings \$	Total ROU Asset \$
Leased asset	335,859	335,859
Depreciation	(233,818)	(233,818)
Net carrying amount	102,041	102,041

Movements in carrying amounts:

	Leased Building s \$	Total ROU Asset \$
Recognised on initial application of AASB 16	172,748	172,748
Depreciation expense	(70,707)	(70,707)
Net carrying amount	102,041	102,041

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2026 \$	2025 \$
Depreciation expense related to right-of-use assets	70,707	70,707
Interest expense on lease liabilities	6,052	9,423

Notes to the financial statements (continued)

Note 18. Intangible Assets

(a) Carrying Amounts

	2026			2025		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	72,947	48,206	24,741	72,947	33,616	39,331
	72,947	48,206	24,741	72,947	33,616	39,331

(b) Movements in Carrying Amounts

2026	Franchise Fees \$	Total
Opening carrying value	39,331	39,331
Amortisation expense	(14,590)	(14,590)
Closing carrying value	24,741	24,741

2025	Franchise Fees \$	Total
Opening carrying value	53,921	53,921
Amortisation expense	(14,590)	(14,590)
Closing carrying value	39,331	39,331

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2026 \$	2025 \$
Income tax payable/(refundable)	5,961	(18,924)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2026:

	30 June 2025 \$	Recognised in P & L \$	30 June 2026 \$
Deferred Tax Assets			
- Expense accruals	7,375	514	7,889
- Employee provisions	17,418	(3,848)	13,570
Total deferred tax assets	24,793	(3,334)	21,459
Deferred Tax Liabilities			
- Right-of-use assets	881	1,509	2,390
- Accrued income	1,344	252	1,596
- Prepayments	3,165	(294)	2,871
- Property, plant & equipment	5,765	-	5,765
Total deferred tax liabilities	11,155	1,467	12,622
Net deferred tax assets/(liabilities)	13,638	(4,801)	8,837

Notes to the financial statements (continued)

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 \$	Recognised in P & L \$	30 June 2025 \$
Deferred Tax Assets			
- Expense accruals	5,814	1,561	7,375
- Employee provisions	29,912	(12,494)	17,418
Total deferred tax assets	35,726	(10,933)	24,793
Deferred Tax Liabilities			
- Right-of-use assets	213	668	881
- Accrued income	1,201	143	1,344
- Prepayments	3,101	64	3,165
- Property, plant & equipment	5,812	(47)	5,765
Total deferred tax liabilities	10,327	828	11,155
Net deferred tax assets/(liabilities)	25,399	(11,761)	13,638

Notes to the financial statements (continued)

Note 20. Trade & Other Payables

	2026 \$	2025 \$
Current		
Trade creditors	12,051	10,818
Other creditors and accruals	34,212	62,133
	46,263	72,951
Non-Current		
Other creditors and accruals	14,585	14,585
	14,585	14,585

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 21. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
34 Liverpool Street Port Lincoln	The lease agreement is a non-cancellable lease with the final term of five years which commenced in March 2023.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The Company reassesses whether it remains reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2026 \$	2025 \$
Current	73,377	73,377
Non-current	19,099	95,847

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2026 were as follows:

Notes to the financial statements (continued)

Lease Liabilities (continued)

(b) Lease Liabilities (continued)

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2026					
Lease payments	79,843	15,771	-	-	95,614
Finance charges	(2,527)	(610)	-	-	(3,137)
Net present values	77,316	15,161	-	-	92,477
30 June 2025					
Lease payments	82,800	79,843	15,771	-	178,414
Finance charges	(6,052)	(2,527)	(610)	-	(9,189)
Net present values	76,748	77,316	15,161	-	169,225

Note 22. Employee Benefits

	2026 \$	2025 \$
Current		
Provision for annual leave	14,612	19,021
Provision for long service leave	21,090	40,729
	35,702	59,750
Non-Current		
Provision for long service leave	18,579	9,919
	18,579	9,919

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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.

Notes to the financial statements (continued)

Note 23. Issued Capital

(a) Issued Capital

	2026		2025	
	Number	\$	Number	\$
Ordinary shares - fully paid	900,008	900,008	900,008	900,008
	900,008	900,008	900,008	900,008

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2026 \$	2025 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	900,008	900,008
At the end of the reporting period	900,008	900,008

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Note 24. Retained Earnings

	Note	2026 \$	2025 \$
Balance at the beginning of the reporting period		390,885	327,538
Profit for the year after income tax		141,621	175,891
Dividends paid	29	(112,501)	(112,501)
Balance at the end of the reporting period		420,005	390,885

Notes to the financial statements (continued)

Note 25. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2026 \$	2025 \$
Cash and cash equivalents	12	278,332	324,026
As per the Statement of Cash Flows		278,332	324,026

(b) Reconciliation of cash flow from operations with profit/loss after income tax

	2026 \$	2025 \$
Profit for the year after income tax	141,621	175,891
Non-cash flows in profit		
- Depreciation	100,411	95,988
- Amortisation	14,590	14,590
- Other	(43)	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(27,459)	11,638
- (Increase) / decrease in prepayments and other assets	170	(835)
- (Increase) / decrease in deferred tax asset	(7,822)	11,761
- Increase / (decrease) in trade and other payables	(12,099)	(19,079)
- Increase / (decrease) in current tax liability	18,923	(27,829)
- Increase / (decrease) in provisions	3,194	(49,980)
Net cash flows from operating activities	231,486	212,145

Note 26. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2026 \$	2025 \$
Financial Assets			
Trade and other receivables	13	205,674	178,211
Cash and cash equivalents	12	278,332	324,026
Term deposits	14	797,925	770,232
		1,281,931	1,272,469
Financial Liabilities			
Trade and other payables	20	60,848	87,536
Lease liabilities	21	92,476	169,224
		153,324	256,760

Notes to the financial statements (continued)

Note 27. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2026 \$	2025 \$
Short-term employee benefits	13,440	13,380

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
RSM - Michael Tarin	Accountancy and share registry	34,416

Notes to the financial statements (continued)

Note 27. Related Parties (continued)

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There has been no other transactions with key management or related parties other than those described above.

Note 28. Auditor's Remuneration

The appointed auditor of Port Lincoln Community Enterprises Ltd for the year ended 30 June 2026 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2026 \$	2025 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,800	6,800
Total auditor's remuneration	6,800	6,800

Note 29. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2026		2025	
	Number	\$	Number	\$
Fully franked dividend	900,008	112,501	900,008	112,501
Dividends provided for and paid during the year	900,008	112,501	900,008	112,501

The tax rate at which dividends have been franked is 25% (2025: 25%).

Note 30. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2026 \$	2025 \$
Profit attributable to ordinary shareholders	141,621	175,891
	Number	Number
Weighted average number of ordinary shares	900,008	900,008
	¢	¢
Basic and diluted earnings per share	15.74	19.54

Note 31. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 32. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 21. Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 33. Company Details

The registered office of the Company is:

Port Lincoln Community Enterprises Ltd	9-11 Mortlock Tce, Port Lincoln SA 5606
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The principal places of business are:

Bendigo Bank Port Lincoln	34 Liverpool St, Port Lincoln SA 5606
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Consolidated Entity Disclosure Statement

As at 30 June 2026

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Port Lincoln Community Enterprises Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

For the year ended 30 June 2026

In accordance with a resolution of the directors of Port Lincoln Community Enterprises Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are 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 performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 44 is true and correct.

This declaration is made in accordance with a resolution of the board of directors.



Michael Tarin
Director

Dated this 8th day of September 2026

Independent audit report



Independent Auditor's Report

To the Members of Port Lincoln Community Enterprises Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Port Lincoln Community Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with the *Corporations Act 2001*, including:

- a) 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 then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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* (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 opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, but 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 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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 (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.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

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 the 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized signature for RSD Audit, written in dark ink.

RSD Audit

A handwritten signature of Tyson Holt, written in dark ink.

Tyson Holt
9 September 2026

Community Bank · Port Lincoln
The Centre, 34 Liverpool Street, Port Lincoln SA 5606
Phone: 08 8682 5226
Web: bendigobank.com.au/port_lincoln

Franchisee: Port Lincoln Community Enterprises Limited
ABN: 29 127 996 187
9-11 Mortlock Terrace, Port Lincoln SA 5606



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