Annual Report 2026





South Burnett Community Enterprises Limited

Community Bank
Yarraman, Nanango and Blackbutt

ABN 57 113 889 768

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Chairman's report

For year ending 30 June 2026

Throughout the past year, it has been my honour to continue to serve as Chairman for South Burnett Community Enterprises, supported by a skilled Board of Directors and a dedicated management and frontline team across Community Bank Blackbutt, Community Bank Nanango and Community Bank Yarraman & District.

The Australian economy has delivered a challenging operating environment for the retail banking sector over the past 12 months. Rising inflation, cost of living pressures and increasing interest rates, combined with legislative changes for new property investors, has significantly tightened home lending activities across the country and within our community.

It is testament to the leadership provided by our Senior Branch Manager, Angela Goossens, that our 3 sites delivered strong year-end operating results, focussing on limiting loan attrition, growing the deposit base and deepening relationships with our existing customers via our personalised interactions. The continuation of this activity now stands us in good stead for the 2026-27 Financial Year where both domestic and international economic headwinds are forecast to persist.

Throughout the year we conducted a review of our internal management structure with Angela Goossens having led operations for over 12 months. Following consideration, we have been delighted to appoint long-term internal staff member, Ebony Neilson, to the senior role of Branch Operations Manager to support the running of our multi-site business. Ebony's appointment has made way for successive promotions within our team, providing career pathways for our committed personnel.

At a Board level, we were saddened by the resignation of Director Michael Bishop from our Board due to competing demands on his time. Michael contributed strongly to our community engagement activities and a commitment to thinking outside the box when presented with challenges and decisions. We thank Michael for this support and wish him all the very best for his future endeavours.

Financially, our 2025-26 operating revenue returned at $1.82M ($1.79M 2025FY) with total operating expenses before community contributions of $1.64M ($1.49M 2025FY) to achieve a net profit of $103,645. Of this amount, $58,550 was invested back into the local community ($18,278 2025FY) and shareholders provided with an unfranked dividend of 5 cents per share ($0.05/share 2025FY).

Directors considered making a further contribution to the Bendigo Community Enterprise Foundation at the end of the 2026FY with the view to continuing to build a corpus for lasting community investment. However, with an uncertain outlook for the 2027FY, a cautious approach has been adopted with cash reserves being maintained within the business.

In closing, to operate a Community Bank we rely on the support of our customers, our shareholders, our community, our Board and our team to combine the elements required to support our goal of maintaining accessible banking services within the South Burnett. I thank each and every individual who has contributed to this success and look forward to our continued collaboration in 2026/27.

Ross Leggett
Chairman
South Burnett Community Enterprises Limited

Senior Manager's report

For year ending 30 June 2026

It is with pleasure that I present to you the Senior Manager's Report for the 2025/2026 financial year for South Burnett Community Enterprises Limited and I am pleased to report on our achievements for the financial year ending 30 June 2026.

There is little doubt that this has been a challenging year for the banking sector in general, dealing with the continued volatility within the financial industry and issues surrounding interest rates set by the Reserve Bank.

I am pleased to report that our total business portfolio as at 30 June 2026 was $237,929,706.

Our consolidated footings as at 30 June 2026:

Branch	Total Business on the Books
Yarraman	$77,940,108
Blackbutt	$ 53,845,412
Nanango	$106,144,186
Total	$237,929,706

We continue to encourage and remind our shareholders that your ongoing support as customers remains invaluable in ensuring our future success and as you know, it is this support and banking activity that ultimately determines the level of return to our local areas. But it is not just about financial value. It's about providing a rewarding and satisfying banking experience for our customers. We continue to focus on being more connected with our customers, our community groups and business partners. We promote Bendigo Bank's full suite of products and services to our customers, community groups and local businesses, demonstrating that we can be a one stop financial services business. We stand apart from our competitors by providing exceptional service and wanting to better understand our customers' needs. Knowing our customers is our basic principle. Our performance relies on the outstanding efforts from all Community Bank staff, and on behalf of myself and the Board of Management, I would like to acknowledge and thank the staff at all 3 branches for their support and the exceptional customer service they provide to all our customers on a daily basis. We will maintain our commitment to always excel in customer service, offer a seamless customer experience, advocate to our customers and support our communities. Over the past 12 months our dedicated team have delivered not only great service to our customers but demonstrated a passion to assist our community groups and partners. I would like to thank them all for their commitment and drive in making this such a successful business. This commitment by our people to exceed customer expectations has helped to deliver these results. Returning profits to the local community is a core philosophy of the Community Bank network and we are no exception. Over the past 20 years the South Burnett Community Bank Group have returned over $1,353,720 to our local communities by way of sponsorship, grant and scholarship funding. This is an amazing achievement from a locally owned company.

Staff news

The industry in which we work is changing on a continual basis and it is essential that we meet and exceed these challenges. I would like to express my sincere thanks to the staff at all 3 branches (Community Bank Blackbutt, Community Bank Nanango and Community Bank Yarraman & District) for their effort and support and truly believe that they are excellent ambassadors for our Community Bank group and all of our local communities. I am very fortunate to have a team of dedicated staff who have contributed to the success of our Community Bank branches. They are the ones who live our culture and bring to life our vision of being passionate about helping people, and are committed to delivering a great customer experience every time.

Yarraman	Blackbutt	Nanango
Sarah – Customer Service Officer Rachel – Customer Service Officer	Dan – Customer Relationship Officer Carley – Customer Service Officer Lily – Customer Service Officer	Rochelle – Customer Relationship Manager Nerrida – Customer Relationship Officer Ebony – Branch Operations Manager Customer Relationship Officer Samara – Customer Relationship Officer Kayla – Customer Service Officer Emma – Customer Service Officer

Board support

A big thank you to the Board for promoting the branches throughout the year. I congratulate our Chairman, Ross Leggett on another successful year in this role and each Director for their commitment and dedication to the success of our company, I thank you all on behalf of myself and the staff.

Finally, to you the shareholders and customers, I thank you for your ongoing support. You have made a vital contribution in putting faith in South Burnett Community Enterprises Limited and in return are enjoying the exceptional customer service that our Community Bank branches have become renowned for.

It has been another exciting yet challenging year, given a very competitive banking environment however we will continue to strive to be the best Community Bank branches in the network by providing the highest levels of customer service and we remain committed to continuing our increasing engagement with the local communities.

Angela Goossens
Senior Branch Manager
Yarraman, Blackbutt and Nanango

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

Community Bank National Council

CBNC: Supporting Local Leadership and National Strategy

On behalf of the Community Bank network, we acknowledge and thank our shareholders for your continued support. The Community Bank model remains one of the most distinctive in Australian banking, combining commercial strength with genuine community purpose.

Over the past year, the Community Bank National Council (CBNC) has continued its important role as the conduit between Community Bank companies and Bendigo Bank (BEN). As the formally recognised representative body of the network, the CBNC ensures the voice of local Directors is heard in national discussions, while keeping Community Bank companies informed on strategic developments that shape our future.

Supporting BEN's 2030 Strategy

The Community Bank model continues to evolve as part of BEN's 2030 strategy, with a focus on long-term strength and sustainability. A jointly led BEN and CBNC Model Evolution project has enabled the CBNC to engage deeply with the network seeking feedback on the challenges and opportunities ahead. The priority being given to this ongoing work reflects the importance of Community Banks to BEN's success and commitment to local communities.

Gathering in our nation's capital

Last September, more than 500 Directors representing 142 Community Bank companies from every state and territory came together for the Community Bank National Conference. It was one of the largest gatherings of our network in recent years, and the CBNC played a key role in contributing to the agenda.

The conference created space for open dialogue between Directors and BEN executives, while also reinforcing the unique value of the Community Bank model. For many, it was also a timely reminder of the strength of peer connection - the opportunity to share challenges, exchange ideas, and look to the future.

Social enterprise leadership

With an entrenched "profit for purpose" approach, the Community Bank moves beyond traditional banking by helping to sustain local economies. The combined community impact of this approach is significant, with several recent examples evidenced across the network.

The partnership between the Bendigo Bank Community Foundation and the Australian Centre for Rural Entrepreneurship (ACRE) is just one example. It demonstrated what collective action can achieve through the buyback of the Old Beechworth Gaol.

The community asset buyback was supported by $8.6 million in capital, including $2.2 million from BEN and Community Bank companies. It has created a nationally significant example of community ownership in action and provides a tangible example of our social enterprise leadership.

New 'Community Link' feature returns profits to communities

As customer expectations evolve, BEN continues to invest in digital capability while protecting the strength of local connection. A clear example is Community Link, a new feature introduced to the Bank's App during the past year.

The feature allows new customers, who join digitally, to nominate a community or corporate branch as their home branch. Customers can have the satisfaction they're contributing to a community they care about without having to set foot in a branch to do so.

The CBNC have been very supportive of this new feature which powerfully bridges BEN's digital future with its renowned community focus. In many ways, it reinforces BEN's commitment to innovation, while serving its core purpose to feed into the prosperity of the community.

Together, these initiatives demonstrate the enduring strength of the Community Bank model in balancing both commercial success with community impact. As the network continues to evolve, the CBNC remains committed to ensuring the network has a strong voice in shaping the future. We thank shareholders for the ongoing support that makes this unique model possible.

Directors' report

30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Ross Christopher Begent
Title:	Non-executive director
Experience and expertise:	Ross has recently retired from a Principal position with local government. Experience in business management and counselling, business support program development and delivery, tourism and events management and strategic planning facilitation. A founding director of the Company, Ross holds a Diploma of Management and has served as a Community Bank Mentor.
Special responsibilities:	Company Secretary
Name:	John Dennis Waitzer
Title:	Non-executive director
Experience and expertise:	Experience in self start up corporations which supply Natural products internationally for general health and pharmaceutical grade products from production to distribution. Founded Australian Bodycare Limited (non-listed) in 1989 became the largest product supplier Globally using Tea Tree Oil (Australian produced) exclusively to the Aesthetician market world wide. The company was sold to a Swedish Pharmaceutical Corporation in 1999. After the sale of Australian Bodycare Limited, John co-founded a public 'unlisted company' called Pharmalink International Limited with operations in Hong Kong, New Zealand, Australia, Germany and Manila. The company created a patented pharmaceutical ingredient which is sold in 40 countries to treat inflammatory conditions for both human (Lyprinol) and animal (Antinol). The company employs over 70 personnel and has a full manufacturing facility in New Zealand. Pharmalink has sales over 70 million USD.
Special responsibilities:	Nil
Name:	James Alan Beveridge
Title:	Non-executive director
Experience and expertise:	Worked in public accounting since 1993, dealing with small to medium enterprises across the agricultural, manufacturing and retail sectors. Director of Beveridge Carey Accountants Pty Ltd; Director and Secretary of Interquest Library Company Ltd. Fellow of ICAANZ.
Special responsibilities:	Treasurer, Executive Committee, Budget and Audit Committee
Name:	Ross Edward Leggett
Title:	Non-executive director
Experience and expertise:	Ross Leggett is an experienced financial professional, currently holding the position of Chief Executive Officer with the not-for-profit organisation Business & Rural Solutions Limited. In this role, Ross delivers the Rural and Small Business Financial Counselling Service across Southern Queensland, alongside other support programs for the rural and small business sector. In addition, Ross has extensive experience in the banking and credit industry, principally throughout rural, regional, and remote areas. Ross is tertiary qualified with a Bachelor of Agricultural and Resource Economics (Hons) and an Executive Master of Public Administration, as well as having completed the Australian Institute of Company Directors Course. Personally, Ross lives in the South Burnett and runs a small farming operation.
Special responsibilities:	Chairperson

Name:	Peter Charles Gamin
Title:	Non-executive director
Experience and expertise:	Peter is a Chartered Accountant and former Chief Financial Officer. He has a broad finance, risk, treasury and accounting background in financial services, funds management, private sector group finance, not for profits and chartered accounting. Peter holds a Bachelor of Business and Master of Commerce and is a Graduate member of the Australian Institute of Company Directors.
Special responsibilities:	Nil

Name:	Connor Elias Gregory
Title:	Non-executive director
Experience and expertise:	Executive leader with 17+ years in QLD coal mining, including CHPP management & SSE accountabilities. Currently Manager, Business Improvement & Technology at Stanwell, leading operational transformation, digital solutions & automation. Expertise in governance, risk & safety leadership, continuous improvement, & contract management. Graduate of AICD (GAICD) with a Grad Cert in Business Administration (UQ) & undertaking an Executive MBA (UQ). Active community contributor through ACARP Research Committee & WIMARQ mentoring.
Special responsibilities:	Vice Chairperson

Name:	Michael Douglas Bishop
Title:	Non-executive director (resigned 28 May 2026)
Experience and expertise:	Membership of AICD, Previous Board and CEO experience in health and community organisations. Occupational Therapy was an undergraduate qualification from the University of Queensland with a Master's degree in Health Administration from the University of New South Wales. Qualifications and experience in marketing and public relations. ISO 2001:2015, ISO 45001:2018, and ISO 14001:2025 lead auditor qualifications and experience.
Special responsibilities:	Nil

Company secretary
The company secretary is Ross Christopher Begent. Ross was appointed to the position of company secretary on 24 October 2024.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $103,645 (30 June 2025: $37,137).

Operations have continued to perform in line with expectations.

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

	2026 $	2025 $
Unfranked dividend of 5 cents per share (2025: 5 cents)	80,351	80,351

Significant changes in the state of affairs
During the financial year, the Company was advised of a potential remediation matter arising from the processing of a customer transaction by branch staff. The matter remains under review and the financial effect, if any, cannot presently be determined. Further information is provided in Note 28.

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

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

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

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

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

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

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

	Board	
	Eligible	Attended
Ross Christopher Begent	11	11
*John Dennis Waitzer	4	3
James Alan Beveridge	11	8
Ross Edward Leggett	11	10
Peter Charles Gamin	11	11
Connor Elias Gregory	11	11
Michael Douglas Bishop	10	5

* John Dennis Waitzer was on an approved leave of absence from July 2025 to February 2026 and was therefore not eligible to attend Board meetings held during that period.

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 and note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Ross Christopher Begent	4,502	-	4,502
John Dennis Waitzer	-	2,000	2,000
James Alan Beveridge	13,000	-	13,000
Ross Edward Leggett	-	-	-
Peter Charles Gamin	-	-	-
Connor Elias Gregory	-	-	-
Michael Douglas Bishop	-	-	-

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

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

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

On behalf of the directors



Ross Edward Leggett
Director

23 October 2026

Auditor's independence declaration

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

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of South Burnett Community Enterprises Limited

As lead auditor for the audit of South Burnett 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: 23 October 2026

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

South Burnett 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	1,822,665	1,774,288
Other revenue		2,053	-
Finance revenue		19,771	19,603
Total revenue		1,844,489	1,793,891
Employee benefits expense	7	(1,089,239)	(1,019,431)
Advertising and marketing costs		(8,498)	(5,259)
Occupancy and associated costs		(109,018)	(90,329)
System costs		(51,982)	(51,231)
Depreciation and amortisation expense	7	(168,267)	(145,766)
Loss on disposal of assets		-	(4,739)
Finance costs	7	(43,704)	(11,961)
General administration expenses		(176,617)	(165,336)
Total expenses before community contributions and income tax expense		(1,647,325)	(1,494,052)
Profit before community contributions and income tax expense		197,164	299,839
Charitable donations and sponsorships expense		(58,550)	(249,857)
Profit before income tax expense		138,614	49,982
Income tax expense	8	(34,969)	(12,845)
Profit after income tax expense for the year		103,645	37,137
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		103,645	37,137
		Cents	**Cents**
Basic earnings per share	26	6.45	2.31
Diluted earnings per share	26	6.45	2.31

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

South Burnett Community Enterprises Limited
Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	243,950	3,338
Trade and other receivables	10	171,358	150,082
Investments	11	478,129	527,616
Total current assets		893,437	681,036
Non-current assets			
Property, plant and equipment	12	168,736	213,481
Right-of-use assets	13	514,507	176,638
Intangible assets	14	179,954	5,061
Deferred tax assets	8	69,039	61,659
Total non-current assets		932,236	456,839
Total assets		1,825,673	1,137,875
Liabilities			
Current liabilities			
Trade and other payables	15	170,305	67,572
Lease liabilities	16	104,309	47,195
Current tax liabilities	8	26,949	-
Employee benefits	17	99,738	94,076
Total current liabilities		401,301	208,843
Non-current liabilities			
Trade and other payables	15	149,404	-
Lease liabilities	16	491,592	171,142
Employee benefits	17	49,608	21,971
Provisions		49,734	75,179
Total non-current liabilities		740,338	268,292
Total liabilities		1,141,639	477,135
Net assets		684,034	660,740
Equity			
Issued capital	18	1,350,744	1,350,744
Accumulated losses		(666,710)	(690,004)
Total equity		684,034	660,740

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

South Burnett Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2026

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2024		1,350,744	(646,790)	703,954
Profit after income tax expense		-	37,137	37,137
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	37,137	37,137
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(80,351)	(80,351)
Balance at 30 June 2025		1,350,744	(690,004)	660,740
Balance at 1 July 2025		1,350,744	(690,004)	660,740
Profit after income tax expense		-	103,645	103,645
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	103,645	103,645
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(80,351)	(80,351)
Balance at 30 June 2026		1,350,744	(666,710)	684,034

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

South Burnett 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)		1,985,708	1,963,460
Payments to suppliers and employees (inclusive of GST)		(1,560,448)	(1,771,090)
Interest received		15,514	19,603
Income taxes paid		(15,400)	-
Net cash provided by operating activities	25	425,374	211,973
Cash flows from investing activities			
(Payments) / redemption of investments		49,487	(19,603)
Payments for property, plant and equipment	12	(3,509)	(130,680)
Payments for intangible assets		(45,274)	(33,946)
Net cash provided by/(used in) investing activities		704	(184,229)
Cash flows from financing activities			
Interest and other finance costs paid		(40,463)	(8,701)
Dividends paid	20	(80,351)	(160,702)
Repayment of lease liabilities		(64,652)	(89,683)
Net cash used in financing activities		(185,466)	(259,086)
Net increase/(decrease) in cash and cash equivalents		240,612	(231,342)
Cash and cash equivalents at the beginning of the financial year		3,338	234,680
Cash and cash equivalents at the end of the financial year	9	243,950	3,338

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

30 June 2026

Note 1. Reporting entity

The financial statements cover South Burnett 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:

Registered office	Principal place of business
23 Toomey Street, Yarraman QLD 4614	23 Toomey Street, Yarraman QLD 4614 49A Coulson Street, Blackbutt QLD 4306 92 Drayton Street, Nanango QLD 4615

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 23 October 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.

Note 3. Material accounting policy information (continued)

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

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

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

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

Judgements

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

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

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

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by 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. The directors did not identify any impairment indications during the financial year.

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

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

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

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability where the company is reasonably certain to 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.

Potential remediation matter
As disclosed in Note 28, the Company has been advised of a potential remediation matter arising from the processing of a customer transaction by branch staff. In determining whether a provision should be recognised, the directors considered the status of Bendigo and Adelaide Bank Limited's investigation, preliminary legal advice, ongoing recovery action and the uncertainty regarding whether the Company will be required to make a payment. Based on the information available at the date of this report, the directors determined that it is not presently probable that an outflow of economic benefits will be required and no provision has been recognised. This assessment will be reconsidered as further information becomes available.

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.

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

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

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 to be 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 the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in August 2030.

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

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	1,558,970	1,519,752
Fee income	125,163	132,500
Commission income	138,532	122,036
	1,822,665	1,774,288

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 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	900,670	869,149
Non-cash benefits	6,613	2,559
Superannuation contributions	108,563	100,868
Expenses related to long service leave	23,587	7,054
Other expenses	49,806	39,801
	1,089,239	1,019,431

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	36,086	26,097
Plant and equipment	7,888	9,010
Motor vehicles	4,280	4,281
	48,254	39,388
Depreciation of right-of-use assets		
Leased land and buildings	76,043	74,205
Amortisation of intangible assets		
Franchise fee	13,003	5,362
Franchise renewal fee	30,967	26,811
	43,970	32,173
	168,267	145,766

Finance costs

	2026 $	2025 $
Lease interest expense	40,463	8,701
Unwinding of make-good provision	3,241	3,260
	43,704	11,961

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

Charitable donations, sponsorships and grants

	2026 $	2025 $
Direct donation, sponsorship and grant payments	58,550	18,278
Contribution to the Community Enterprise Foundation™	-	231,579
	58,550	249,857

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

Note 7. Expenses (continued)

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 into the CEF, it reflects the director's commitment to permanently set these funds aside for community grants, while not having specific recipients identified at that point in time. The directors are involved in the payment of grants, however, the funds are not refundable to the company.

Note 8. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	42,349	-
Movement in deferred tax	(17,070)	12,845
Recoupment of prior year tax losses	9,690	-
Aggregate income tax expense	34,969	12,845
Prima facie income tax reconciliation		
Profit before income tax expense	138,614	49,982
Tax at the statutory tax rate of 25%	34,654	12,496
Tax effect of:		
Non-deductible expenses	315	349
Income tax expense	34,969	12,845

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Carried forward tax losses	-	9,689
Property, plant and equipment	(480)	(6,762)
Employee benefits	37,337	29,012
Provision for lease make good	12,433	18,795
Accrued expenses	465	500
Income accruals	(1,064)	-
Lease liabilities	148,975	54,585
Right-of-use assets	(128,627)	(44,160)
Deferred tax asset	69,039	61,659

	2026 $	2025 $
Provision for income tax	26,949	-

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.

Note 8. Income tax (continued)

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 on hand	600	600
Cash at bank	243,350	2,738
	243,950	3,338

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	154,695	138,037
Other receivables and accruals	4,257	-
Prepayments	12,406	12,045
	16,663	12,045
	171,358	150,082

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	171,358	150,082
Less prepayments, included in trade and other receivables	(12,406)	(12,045)
	158,952	138,037

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		
Sandhurst Managed Fund	478,129	527,616

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	637,378	637,378
Less: Accumulated depreciation	(516,779)	(480,693)
	120,599	156,685
Plant and equipment - at cost	192,257	188,748
Less: Accumulated depreciation	(159,967)	(152,079)
	32,290	36,669
Motor vehicles - at cost	60,841	60,841
Less: Accumulated depreciation	(44,994)	(40,714)
	15,847	20,127
	168,736	213,481

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 $	Motor vehicles $	Total $
Balance at 1 July 2024	70,482	32,038	24,408	126,928
Additions	113,313	17,367	-	130,680
Disposals	(1,013)	(3,726)	-	(4,739)
Depreciation	(26,097)	(9,010)	(4,281)	(39,388)
Balance at 30 June 2025	156,685	36,669	20,127	213,481
Additions	-	3,509	-	3,509
Depreciation	(36,086)	(7,888)	(4,280)	(48,254)
Balance at 30 June 2026	120,599	32,290	15,847	168,736

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 20 years
Plant and equipment	1 to 40 years
Motor vehicles	7 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	1,023,336	609,714
Less: Accumulated depreciation	(508,829)	(433,076)
	514,507	176,638

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	245,216
Remeasurement adjustments	5,627
Depreciation expense	(74,205)
Balance at 30 June 2025	176,638
Remeasurement adjustments	413,912
Depreciation expense	(76,043)
Balance at 30 June 2026	514,507

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	257,697	184,743
Less: Accumulated amortisation	(196,902)	(183,899)
	60,795	844
Franchise renewal fee	436,828	290,919
Less: Accumulated amortisation	(317,669)	(286,702)
	119,159	4,217
	179,954	5,061

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	6,206	31,028	37,234
Amortisation expense	(5,362)	(26,811)	(32,173)
Balance at 30 June 2025	844	4,217	5,061
Additions	72,954	145,909	218,863
Amortisation expense	(13,003)	(30,967)	(43,970)
Balance at 30 June 2026	60,795	119,159	179,954

Additions
During the financial year, the franchise agreements relating to the Yarraman, Nanango and Blackbutt branches were renewed. The associated franchise fees are being amortised over the renewed franchise term to August 2030.

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

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

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

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)	August 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	August 2030

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	18,003	20,109
Other payables and accruals	152,302	47,463
	170,305	67,572
Non-current liabilities		
Other payables and accruals	149,404	-

Note 15. Trade and other payables (continued)

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	319,709	67,572
Less statutory payables, included in trade and other payables	(49,822)	(17,813)
	269,887	49,759

Trade and other payables include amounts payable in relation to the Yarraman, Nanango and Blackbutt franchise fees renewed during the year. The first instalment was paid on renewal. Of the four remaining annual instalments, the instalment due within 12 months of the reporting date is classified as current, while the three instalments due after 12 months are classified as non-current.

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	104,309	47,195
Non-current liabilities		
Land and buildings lease liabilities	491,592	171,142

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	218,337	302,393
Remeasurement adjustments	442,216	5,627
Lease interest expense	40,463	8,701
Lease payments - total cash outflow	(105,115)	(98,384)
	595,901	218,337

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	Lease term end date used in calculations
Yarraman branch	7.05%	August 2030
Blackbutt branch	7.05%	August 2035
Nanango branch	7.05%	August 2035

Note 17. Employee benefits

	2026 $	2025 $
Current liabilities		
Annual leave	75,328	52,674
Long service leave	24,410	28,692
Sick leave	-	12,710
	99,738	94,076
Non-current liabilities		
Long service leave	49,608	21,971

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

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

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

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	1,465,260	1,465,260	1,465,250	1,465,250
Bonus shares - fully paid (3:1 from initial issue)	141,768	141,768	-	-
Less: Equity raising costs	-	-	(114,506)	(114,506)
	1,607,028	1,607,028	1,350,744	1,350,744

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.

Note 18. Issued capital (continued)

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").

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

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

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

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

Note 19. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board 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 20. Dividends

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

	2026 $	2025 $
Unfranked dividend of 5 cents per share (2025: 5 cents)	80,351	80,351

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

Note 21. Financial risk management

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

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

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

- 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 21. 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 excluding prepayments (note 10)	158,952	138,037
Cash and cash equivalents (note 9)	243,950	3,338
	402,902	141,375
Financial assets at fair value through profit or loss		
Managed funds (note 11)	478,129	527,616
Financial liabilities		
Trade and other payables (note 15)	269,887	49,759
Lease liabilities (note 16)	595,901	218,337
	865,788	268,096

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets into the following categories:

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

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

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

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

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

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.

The company's financial liabilities measured at amortised cost comprise trade and other payables, lease liabilities and borrowings.

Note 21. Financial risk management (continued)

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $243,950 at 30 June 2026 (2025: $3,338).

Price risk
The Company is exposed to price risk arising from its investment in managed funds. The value of the investment may fluctuate due to changes in the underlying assets and market conditions.

Credit risk
The Company is exposed to concentration of credit risk because substantially all cash and trade receivables are held with or due from Bendigo and Adelaide Bank Limited. The directors monitor this exposure by reviewing the Bank's external credit ratings and other publicly available financial information. The directors consider the risk of material loss from default to be low at reporting date.

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	120,483	149,404	-	269,887
Lease liabilities	107,884	393,436	268,364	769,684
Total non-derivatives	228,367	542,840	268,364	1,039,571

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	61,661	-	-	61,661
Lease liabilities	47,806	179,959	7,897	235,662
Total non-derivatives	109,467	179,959	7,897	297,323

Note 22. Key management personnel disclosures

The following persons were directors of South Burnett Community Enterprises Limited during the financial year and/or up to the date of signing of these financial statements.

Ross Christopher Begent
John Dennis Waitzer
James Alan Beveridge
Ross Edward Leggett
Peter Charles Gamin
Connor Elias Gregory
Michael Douglas Bishop

Note 22. Key management personnel disclosures (continued)

Compensation
Key management personnel compensation comprised the following.

	2026 $	2025 $
Short-term employee benefits	60	1,500

Compensation of the Company's key management personnel comprises director remuneration and other short-term benefits, where applicable.

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2026 $	2025 $
The company secretary Ross Begent provided the company with secretarial and board support services.	10,320	10,000
James Alan Beveridge received remuneration for accounting services provided by Beveridge Carey Accountants Pty Ltd.	23,192	22,582

Note 24. Remuneration of auditors

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

	2026 $	2025 $
Audit services		
Audit or review of the financial statements	12,940	10,130
Other services		
Taxation advice and tax compliance services	2,558	1,079
General advisory services	3,640	3,715
Share registry services	12,593	13,275
	18,791	18,069
	31,731	28,199

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 $	2025 $
Profit after income tax expense for the year	103,645	37,137
Adjustments for:		
Depreciation and amortisation	168,267	145,766
Net loss on disposal of non-current assets	-	4,739
Lease liabilities interest	40,463	8,701
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(21,276)	11,743
Decrease/(increase) in deferred tax assets	(7,380)	12,845
Increase/(decrease) in trade and other payables	78,165	(27,224)
Increase in provision for income tax	26,949	-
Increase in employee benefits	33,299	15,006
Increase in other provisions	3,242	3,260
Net cash provided by operating activities	425,374	211,973

Note 26. Earnings per share

	2026 $	2025 $
Profit after income tax	103,645	37,137
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,607,028	1,607,028
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,607,028	1,607,028
	Cents	**Cents**
Basic earnings per share	6.45	2.31
Diluted earnings per share	6.45	2.31

Note 27. Commitments

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

Note 28. Contingencies

During the year, the Company was advised by Bendigo and Adelaide Bank Limited of a potential remediation matter arising from the processing of a customer transaction by branch staff. Bendigo and Adelaide Bank Limited identified a potential remediation amount of approximately $500,000. The matter remains under review; legal advice is being obtained and recovery action relating to the funds remains ongoing. As at the date of this report, Bendigo and Adelaide Bank Limited has not determined whether the Company will be required to make a remediation payment. The directors have assessed that it is not presently probable that an outflow of economic benefits will be required and, accordingly, no provision has been recognised. The Company's maximum potential exposure before any recovery, insurance proceeds or allocation of responsibility between the parties is approximately $500,000. No recovery asset has been recognised because recovery is not virtually certain.

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

Note 29. Events after the reporting period

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

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

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

Directors' declaration

30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- 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



Ross Edward Leggett
Director

23 October 2026

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 85 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent Auditor's Report to the members of South Burnett Community Enterprises Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of South Burnett 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 South Burnett Community Enterprises Limited, which comprises:

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

Basis for opinion

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the Company's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

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

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

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 23 October 2026

Adrian Downing
Lead Auditor

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Community Bank · Yarraman & District
23 Toomey Street,
Yarraman QLD 4614
Phone: 07 4163 8162
Email: yarramanmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/yarraman

Community Bank · Nanango
92 Drayton Street,
Nanango QLD 4615
Phone: 07 4163 1075
Email: nanangomailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/nanango

Community Bank · Blackbutt
49A Coulson Street,
Blackbutt QLD 4314
Phone: 07 4163 0734
Email: blackbuttmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/blackbutt

Franchisee: South Burnett Community Enterprises Limited
ABN: 57 113 889 768
23 Toomey Street.
Yarraman QLD 4614
Phone: 07 4163 8162
Email: begent@australiamail.com

Share Registry: AFS & Associates Pty Ltd
PO Box 454,
Bendigo VIC 3552
Phone: 03 5443 0344 Fax: 03 5443 5304
Email: shareregistry@afsbendigo.com.au

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26098) (10/26)