Annual Report 2026

South East Community Enterprises Limited

Sorell & District

ABN 50 147 950 178

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South East Community Enterprises Limited Chair Report 2025 – 2026

2025 – 2026 has delivered a strong financial result with increased profits and greater community contributions through grants and sponsorship.

Over 70 organisations (an increase from 22 last year), have been supported with over $ 177,000 – up from $ 47,000 in the previous tax year. This amount is understated, as it does not include some of the associated sponsorship costs, such as signage.

Sponsorships and grants increased, in part, due to the purchase of Community Bank Nubeena & Tasman , which has proved to be a valuable and profitable acquisition. Grants of over $ 28,000 were distributed to 23 organisations on the Forestier and Tasman Peninsulas.

A further $ 60,000 was added to our investment in the Community Enterprise Foundation account, in readiness for an Education Scholarship Program.

Revenue from customer relationships/activity increased to $ 1,273,356 – up from $ 991,222 the previous year.

Profit after income tax was $ 99,777 – up from $ 62,354 from the previous year.

$ 48,467 was paid to Shareholders as a fully franked dividend of 5.5 cents – an increase from the $ 44,061 distributed the previous year. The dividend proposed for payment in December 2026 sees a further increase to 6.0 cents per share – fully franked.

Total current assets have increased by over $ 25,000 to $ 758,844, and total equity has increased by over $ 50,000 to $ 917,076.

All-in-all a pleasing financial result with increased funds shared with local community organisations and Shareholders.

Thank you to Sharon - our Branch Manager, and staff Caitlin, Hope, Fi, Kate and Tim for your ongoing efforts and the way you represent Community Bank Sorell & District and Community Bank Nubeena & Tasman .

Our volunteer Board are inspirational community leaders who make our region a better place. Thank you, Pam, Ryan, Michael, Anthony, Janice, Jess, Scott, Darryn, Annette and new member Penny for your ongoing support and your diverse professional skills given so willingly.

You are a joy to work with and your commitment to build our business and create a stronger and more able community is admired and appreciated.

Being proud of our community contribution, (up to 80% of our profits returned to the local community), help bring customers to Community Bank Sorell & District and Community Bank Nubeena & Tasman .

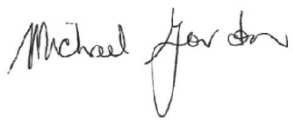
Growing our business creates more profit so we can deliver even greater community impact.

As shareholders, you can help share the Community Bank story and increase awareness of our impact on local community groups.

Strategic priorities for 2026 – 2027 include:

- Increasing returns to shareholders
- Funding larger projects with greater community impact
- Building the investment in the Bendigo Bank's Community Enterprise Foundation to fund an education scholarship program through the interest earned
- Increasing the engagement, business, and support for the Community Bank Nubeena & Tasman by the Forestier and Tasman Peninsulas
- Exploration and realisation of growth opportunities in Southern Midlands and Brighton municipalities
- Further refinement of engagement and relationship building with sponsored organisations

Thank you for being part of the Community Bank success story.



Michael Gordon
Board Chair
South East Community Enterprises Limited

2025-2026 Annual Report

Community Organisations supported in 2025-2026:

Dunalley Tasman Neighbourhood House

Eaglehawk Neck Coast Care

Eaglehawk Neck Community and Hall Association History Group

Highcroft/Stormlea Country Women's Association

Huon Regional Care Nubeena

Impression Bay Community Development Association

Koonya Community Hall

Koonya Garlic Festival

Murdunna Community Group

Nubeena Country Women's Association

Open Hands Foodbank - Nubeena

Port Arthur Sports Club

Rotary Club of Tasman Peninsula

Sommers Bay Jetty Association

South East Cheer and Dance

Tasman Community Radio

Tasman Conservation Group

Tasman District School

Tasman Feast

Tasman Golf Club

Tasman Ex-Servicemen and Women's Club

Tasman Rural Youth

Tasman Voice for Health - Tasman Blokes

Volunteer Ambulance Officer Association – Tasman District

Community Bank Sorell & District and Community Bank Nubeena & Tasman have shared over $ 700,000 in profits with community and volunteer groups in the local areas through grants and sponsorships.

Community Bank Sorell & District and Community Bank Nubeena & Tasman

In 2025 - 2026 we distributed funds to:

Bream Creek Show Society

Campania Cricket Club

Campania Football Club

Carlton Park Surf Life Saving

Colebrook Progress Association

Dodges Ferry Football Club

Dunalley Community Hall

Dunalley Golf Club

Llanherne Golf Club

Levendale Community Hall

Levendale Cricket Club

Midway Point Neighbourhood House

Monmouth Pony Club

Nugent Community and Sports Association

Oatlands Bowls Club

Okines Community House

Orielton Community Hall

Pittwater Golf Club

Primrose Sands Country Music Festival

Richmond Cambridge Cricket Club

Richmond Football Club

Richmond United Junior Soccer

Runnymede Cricket Club

Sea Rescue Dodges Ferry

Sorell Christmas Carols

Sorell Cricket Club

Sorell Football Club

Sorell Girl Guides Unit

Sorell Men's Masters AFL Super Rules

Sorell Tennis Club

South East Little Athletics

South East Suns Netball Club

South East Stingrays Junior Football Club

Southern City BMX Club

Tasmanian Junior Beekeepers

Tea Tree Community Association

Tunnack Community Club

Various School Associations including Dunalley Primary School; Dodges Ferry Primary School; Richmond Primary School; Sorell Primary School; Sorell District School; Tasman District School

Women's AFL Masters Football

Woodsdale Community Hall

Woodsdale Football Club

Woodsdale Levendale History Rooms

In 2025, Community Bank Sorell & District and Community Bank Nubeena & Tasman had distributed more than $ 700,000 of funds to the valuable community groups in the South East region.

Thank you for supporting the Community Bank - so we can invest in these valuable community organisations.

Your business helps build stronger local communities.

South East Community Enterprises Limited2026 Annual Branch Manager's Report

The Branch Team and I would like to express our gratitude to our Shareholders and their families and friends for their continued support of our Community Bank!

We take pride in the work we do and the service and support we provide to members of our Community!

Whether we are helping our customers save money for today or the future, make money from savings held or borrow money for assets such as housing and cars, we care passionately about making sure our customers feel safe, supported and heard when choosing to bank with us.

Last year we helped 29 families with home lending valued at over $10M.

Great to see a mix of families buying their first home, up-sizing to their next home or refinancing with us as they see real value in having two accessible branches in their local area and a friendly and knowledgeable team available to support them.

Whatever the lending needs have been we always make sure the customer is comfortable with the amount borrowed, is clear on how the loan works, has a plan to manage the repayments that aligns to the household budget and has adequate insurance over the property.

That's just what we do because we want to see families prosper in our Community...

We take pride in how accessible we are to our customers and community!

Our opening hours are aligned to Community need – 5 days a week in Sorell and 2 days in Nubeena.

Customers can walk in or call us directly which we celebrate as a real point of difference.

And finally, we shout loud about our donations, sponsorships and grants that help Community thrive!

From common interest groups to sporting events and everything in-between, our grants help buy equipment, pay insurance, supply uniforms and fund events!

As always, we would like to do more....

And that is where advocacy from our Shareholders and customers is vital.

The Community Bank Story is as relevant today as it was 15 years ago when we first opened.

Let's keep the magic happening by working together!

Sharon Cozens – Your Local Branch Manager

South East Community Enterprises Limited

ABN 50 147 950 178

Financial Report - 30 June 2026

South East Community Enterprises Limited
Directors' report
30 June 2026

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

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

Name:	Michael Kenneth Gordon
Title:	Non-executive director
Experience and expertise:	20+ years as director and principal of a management consulting business with a focus on governance and organisational development. Chief Executive Officer of a community sector peak body. Owner and operator of small businesses including primary production, transport, travel and retail. Director of state-owned company including chairperson of the Human Resources and Remuneration Committee and member of Policy & Rules Committee. Active in several community organisations including office bearer roles. Bachelor of Business (Human Resource Development); Graduate Diploma-Honours (Antarctic and Southern Ocean Studies); Graduate Diploma (Institute of Company Directors).
Special responsibilities:	Chairman, Marketing & Sponsorship Committee

Name:	Scott Alexander Gatehouse
Title:	Non-executive director
Experience and expertise:	Currently employed in operations management, experienced in numerous industry roles in Tasmania and the UK and has a Diploma of Business studies at the University of Lincoln. Scott is the leading Fire Fighter at Wattle Hill Fire Brigade, committee member of the South East Netball Association and past member of Sorell School Association. Past member of the Community Bank State Marketing Committee for Tasmania and past member of Agfest organising committee and agriculture show committees.
Special responsibilities:	Marketing & Sponsorship Committee

Name:	Anthony David Davis
Title:	Non-executive director
Experience and expertise:	Anthony operated in private practice as an accountant in Sorell for some 23 years and built a significant local client base until retiring in 2022 when he sold his practice to Bentleys Sorell. Served on the Board of South East Community Care Inc for 18 years until 2021, including as president. A founding member of the Business Council of Sorell, Anthony is a long-standing member and past president of the Sorell Lions Club and a member of Lodge Pembroke in Sorell. He was also on the Board of the Regional Community Learning and Development Centre – Levendale as their treasurer.
Special responsibilities:	Treasurer, Company Secretary

Name:	Michael Evan Larkins
Title:	Non-executive director
Experience and expertise:	Michael is soon to be a first-time father. He is a managing director, entrepreneur, and proud community advocate. He leads Larkins Tech and South East Telco, owns his own coffee van which he attends major events with, and invests in Zambrero Rosny and Shoreline. He serves as a Sorell Councillor and Deputy Chair to this board. Michael brings to the board skills in Cyber security, IT operations, Business operations, risk mitigation and strategic partnerships.
Special responsibilities:	Deputy Chair

Name:	Janice Maree McConnon
Title:	Non-executive director
Experience and expertise:	Janice is a farmer with extensive involvement in her local community. Past board member of South East Community Care, deputy chair of Levendale Hall Committee. Fundraises for local sporting clubs and has organised farmers forums and community participation as past chair, secretary and public officer for Levendale Primary School 1993-2014, past board member of Edmund Rice Camp Tasmania. Founding member of Levendale Woodsdale History Room, set up to record oral, written and visual history of the area for future generations, and for learning opportunities for students. Holds a diploma of Rural Business Management and completed the Australian Institute of Company Directors – Community Bank Director Development.

Name:	Darryn John Charles Scott
Title:	Non-executive director
Experience and expertise:	Darryn is Managing Director of S Commercial Project Consulting Pty Ltd, a building and development consulting firm. Managing Director of S Property Developments, a property development company. Member of the Master Builders Association of Tasmania (former chair of the Commercial Sector). Darryn holds a Diploma in Management and is currently specialising in property development feasibility, project management, construction management and design management.
Special responsibilities:	Deputy Chair

Name:	Pam Giffard
Title:	Non-executive director
Experience and expertise:	Pam enjoyed a long career in nursing and management in the private health sector. Pam and family are long term Kellevie, Dunalley and Sorell community members across 43 years. A hands-on person, Pam is always active in the community and a volunteer with many organisations, bringing extensive professional and community experience to the company.
Special responsibilities:	Minute Secretary and Marketing & Sponsorship Committee

Name:	Ryan Jones
Title:	Non-executive director
Experience and expertise:	Ryan owns and operates a landscaping business, Horizon Landscapers. Ryan has a Diploma in Horticulture and a Diploma in Project Management. He is a member and past president of the Rotary Club of Sorell.
Special responsibilities:	Nil

Name:	Annette Carol Branch
Title:	Non-executive director
Experience and expertise:	Annette was previously employed as an Electorate Officer for Members of the House of Representatives and Legislative Council in the Tasmanian Parliament. She was a Program Support Officer for the Tasmanian Department of Education, Children and Young People. Her past community volunteer roles include coordinator for Bream Creek Show luncheon room, President of Dunalley Primary School Parents and Friends and Secretary for Sorell School Association. Annette has completed an Associate Degree in Applied Business.
Special responsibilities:	Nil

Name:	Jessica Emily Roberts
Title:	Non-executive director (appointed 30 July 2025)
Experience and expertise:	Jessica is currently employed as an accountant at Collins SBA and previously worked as a Specialist Peer Mentor at the University of Tasmania during her university studies. In her spare time, she volunteers as a Unit Leader for Sorell Girl Guides and can often be found supporting a variety of community groups/events. Past member of the Girl Guides Tasmania Finance Audit & Risk Committee. Bachelor of Business (Accounting).
Special responsibilities:	Treasurer, Sponsorship Committee

Name:	Penelope Ann Goodland
Title:	Non-executive director (appointed 25 March 2026)
Experience and expertise:	BA (HONS) 2ii – Modern Languages (French & Spanish), Paralegal, Electorate Office (State Labor), Exec and Sales Assistant. Secretary - Bream Creek Show Society Inc. Public Officer and former Secretary Dunalley Community Hall Committee Inc (and its previous names).
Special responsibilities:	Company Secretary

Company secretary
There have been two company secretaries holding the position during the financial year:

- Penelope Ann Goodland was appointed company secretary on 1 July 2026.
- Anthony David Davis was appointed company secretary on 28 November 2024 and ceased on 1 July 2026.

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 $99,777 (2025: $62,354).

Operations have continued to perform in line with expectations.

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

	2026 $	2025 $
Fully franked dividend of 5.5 cents per share (2025: 5 cents)	48,467	44,061

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

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

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN'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		Board workshops	
	Eligible	Attended	Eligible	Attended
Michael Kenneth Gordon	7	6	5	5
Scott Alexander Gatehouse	7	6	5	5
Anthony David Davis	7	6	5	4
Michael Evan Larkins	7	5	5	5
Janice Maree McConnon	7	5	5	4
Darryn John Charles Scott	7	5	5	4
Pam Giffard	7	6	5	5
Ryan Jones	7	6	5	5
Annette Carol Branch	7	3	5	4
Jessica Emily Roberts	7	6	5	4
Penelope Ann Goodland	2	2	2	2

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Michael Kenneth Gordon	21,500	-	21,500
Scott Alexander Gatehouse	1,000	-	1,000
Anthony David Davis	9,001	-	9,001
Michael Evan Larkins	-	-	-
Janice Maree McConnon	4,001	-	4,001
Darryn John Charles Scott	-	-	-
Pam Giffard	-	-	-
Ryan Jones	-	-	-
Annette Carol Branch	5,000	-	5,000
Jessica Emily Roberts	-	-	-
Penelope Ann Goodland	-	-	-

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.

South East Community Enterprises Limited
Directors' report
30 June 2026

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.

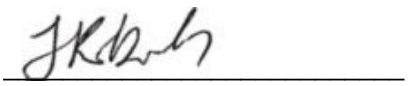
The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- 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



Jessica Emily Roberts
Treasurer

30 September 2026

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

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

As lead auditor for the audit of South East 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: 30 September 2026

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

South East 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	1,273,356	991,222
Other revenue		-	627
Finance revenue		28,845	31,757
Gain on remeasurement of right-of-use assets		25,444	-
Total revenue		1,327,645	1,023,606
Employee benefits expense	7	(623,299)	(588,233)
Advertising and marketing costs		(56,173)	(49,749)
Occupancy and associated costs		(39,657)	(33,863)
System costs		(38,576)	(32,356)
Depreciation and amortisation expense	7	(148,038)	(89,426)
Finance costs	7	(9,796)	(9,793)
Loss on disposal of assets		-	(1,370)
General administration expenses		(94,378)	(85,095)
Total expenses before community contributions and income tax expense		(1,009,917)	(889,885)
Profit before community contributions and income tax expense		317,728	133,721
Charitable donations, sponsorships and grants expense	7	(177,031)	(47,858)
Profit before income tax expense		140,697	85,863
Income tax expense	8	(40,920)	(23,509)
Profit after income tax expense for the year		99,777	62,354
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		99,777	62,354
		Cents	**Cents**
Basic earnings per share	26	11.32	7.08
Diluted earnings per share	26	11.32	7.08

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

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

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	9	16,894	124,693
Trade and other receivables	10	78,159	46,240
Investments	11	663,791	541,709
Current tax assets	8	-	20,611
Total current assets		758,844	733,253
Non-current assets			
Property, plant and equipment	12	145,348	168,055
Right-of-use assets	13	75,970	180,986
Intangible assets	14	87,407	128,128
Deferred tax assets	8	-	3,618
Total non-current assets		308,725	480,787
Total assets		1,067,569	1,214,040
Liabilities			
Current liabilities			
Trade and other payables	15	25,787	99,312
Lease liabilities	16	44,398	89,494
Current tax liabilities	8	23,849	-
Total current liabilities		94,034	188,806
Non-current liabilities			
Lease liabilities	16	37,210	142,940
Deferred tax liabilities	8	1,453	-
Provisions		17,796	16,528
Total non-current liabilities		56,459	159,468
Total liabilities		150,493	348,274
Net assets		917,076	865,766
Equity			
Issued capital	17	847,158	847,158
Retained earnings		69,918	18,608
Total equity		917,076	865,766

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

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		847,158	315	847,473
Profit after income tax expense		-	62,354	62,354
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	62,354	62,354
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(44,061)	(44,061)
Balance at 30 June 2025		847,158	18,608	865,766
Balance at 1 July 2025		847,158	18,608	865,766
Profit after income tax expense		-	99,777	99,777
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	99,777	99,777
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(48,467)	(48,467)
Balance at 30 June 2026		847,158	69,918	917,076

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

South East 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)		1,375,173	1,084,794
Payments to suppliers and employees (inclusive of GST)		(1,215,583)	(865,474)
Interest received		22,082	31,757
Interest and other finance costs paid		(99)	-
Income taxes refunded/(paid)		8,611	(44,777)
Net cash provided by operating activities	25	190,184	206,300
Cash flows from investing activities			
Redemption of/(payment for) investments		(122,082)	118,831
Payments for property, plant and equipment		(7,750)	(142,518)
Payments for intangible assets		(26,063)	(133,085)
Net cash used in investing activities		(155,895)	(156,772)
Cash flows from financing activities			
Interest and other finance costs paid		(8,571)	(7,288)
Dividends paid	19	(48,467)	(44,061)
Repayment of lease liabilities		(85,050)	(68,409)
Net cash used in financing activities		(142,088)	(119,758)
Net decrease in cash and cash equivalents		(107,799)	(70,230)
Cash and cash equivalents at the beginning of the financial year		124,693	194,923
Cash and cash equivalents at the end of the financial year	9	16,894	124,693

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

South East Community Enterprises Limited
Notes to the financial statements
30 June 2026

Note 1. Reporting entity

The financial statements cover South East 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 5 Coventry Rise, Howrah TAS 7018.

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 financial statements have been prepared on a going concern basis. In adopting this basis, the directors have considered the company’s forecast cash flows, available financial resources and the anticipated renewal of the franchise agreement with Bendigo Bank. As disclosed in Note 5, the absence of a formal renewal agreement at the date of this financial report gives rise to a material uncertainty that may cast significant doubt on the company’s ability to continue as a going concern.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

Investments
Term deposits are measured at amortised cost where they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. Managed fund investments are measured at fair value through profit or loss. Changes in the fair value of managed fund investments are recognised in profit or loss.

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.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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.

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

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

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

Estimates and assumptions

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

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

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

Note 5. Economic dependency and material uncertainty over going concern

The company is economically dependent on its franchise agreement with Bendigo and Adelaide Bank Limited, which governs the operation of the Community Bank and represents the company's principal source of revenue. The current franchise agreement expires in November 2026. At the date of this financial report, the directors are continuing negotiations with Bendigo Bank regarding renewal of the agreement. However, a formal renewal agreement or letter of support has not been obtained.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The financial statements have nevertheless been prepared on a going concern basis because the directors have a reasonable expectation that a new agreement will be entered into on mutually acceptable terms before the existing agreement expires. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary if the company is unable to continue as a going concern.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the 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	1,130,215	878,391
Fee income	68,997	55,019
Commission income	74,144	57,812
	1,273,356	991,222

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

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

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

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

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

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

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

Note 7. Expenses

Employee benefits expense

	2026 $	2025 $
Wages and salaries	471,463	417,927
Superannuation contributions	56,942	56,953
Expenses related to long service leave	2,785	5,486
Other expenses	92,109	107,867
	623,299	588,233

Accounting policy for employee benefits
The company seconds employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2026 $	2025 $
Depreciation of non-current assets		
Leasehold improvements	23,325	13,128
Plant and equipment	7,132	3,842
	30,457	16,970
Depreciation of right-of-use assets		
Leased land and buildings	64,826	48,826
Amortisation of intangible assets		
Franchise fee	21,019	4,029
Franchise renewal process fee	10,816	14,421
Rights to revenue share	20,920	5,180
	52,755	23,630
	148,038	89,426

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2026 $	2025 $
Direct donation, sponsorship and grant payments	117,031	47,858
Contribution to the Community Enterprise Foundation™	60,000	-
	177,031	47,858

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

The funds contributed to and held by the Community Enterprise Foundation™ (CEF) 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, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Note 8. Income tax

	2026 $	2025 $
Income tax expense		
Current tax	35,849	3,983
Movement in deferred tax	5,071	19,526
Aggregate income tax expense	40,920	23,509
Prima facie income tax reconciliation		
Profit before income tax expense	140,697	85,863
Tax at the statutory tax rate of 25%	35,174	21,466
Tax effect of:		
Non-deductible expenses	5,746	2,043
Income tax expense	40,920	23,509

	2026 $	2025 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(11,096)	(14,281)
Employee benefits	3,438	-
Provision for lease make good	4,449	4,132
Accrued expenses	2,037	906
Income accruals	(1,691)	-
Lease liabilities	20,402	58,108
Right-of-use assets	(18,992)	(45,247)
Deferred tax asset/(liability)	(1,453)	3,618

Note 8. Income tax (continued)

	2026 $	2025 $
Income tax refund due	-	20,611

	2026 $	2025 $
Provision for income tax	23,849	-

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

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

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

Note 9. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	16,894	124,693

Note 10. Trade and other receivables

	2026 $	2025 $
Trade receivables	68,846	43,326
Accrued income	6,763	-
Prepayments	2,550	2,914
	9,313	2,914
	78,159	46,240

	2026 $	2025 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	78,159	46,240
Less prepayments, included in trade and other receivables	(2,550)	(2,914)
	75,609	43,326

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

Note 11. Investments

	2026 $	2025 $
Current assets		
Term deposits	563,791	541,709
Managed funds	100,000	-
	663,791	541,709

Refer to note 21 for further information on fair value measurement.

Note 12. Property, plant and equipment

	2026 $	2025 $
Leasehold improvements - at cost	239,899	232,149
Less: Accumulated depreciation	(115,847)	(92,522)
	124,052	139,627
Plant and equipment - at cost	76,101	76,101
Less: Accumulated depreciation	(54,805)	(47,673)
	21,296	28,428
	145,348	168,055

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2024	32,368	11,509	43,877
Additions	121,757	20,761	142,518
Disposals	(1,370)	-	(1,370)
Depreciation	(13,128)	(3,842)	(16,970)
Balance at 30 June 2025	139,627	28,428	168,055
Additions	7,750	-	7,750
Depreciation	(23,325)	(7,132)	(30,457)
Balance at 30 June 2026	124,052	21,296	145,348

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 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	6 to 20 years
Plant and equipment	1 to 40 years

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

Note 12. Property, plant and equipment (continued)

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	373,685	413,875
Less: Accumulated depreciation	(297,715)	(232,889)
	75,970	180,986

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	139,547
Additions	82,756
Remeasurement adjustments	7,509
Depreciation expense	(48,826)
Balance at 30 June 2025	180,986
Remeasurement adjustments	(40,190)
Depreciation expense	(64,826)
Balance at 30 June 2026	75,970

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 $
Rights to revenue share	104,400	103,599
Less: Accumulated amortisation	(26,100)	(5,180)
	78,300	98,419
Franchise fee	54,600	43,367
Less: Accumulated amortisation	(49,141)	(28,122)
	5,459	15,245
Franchise renewal fee	110,669	110,669
Less: Accumulated amortisation	(107,021)	(96,205)
	3,648	14,464
	87,407	128,128

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

	Rights to revenue share $	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2024	-	8,041	28,885	36,926
Additions	103,599	11,233	-	114,832
Amortisation expense	(5,180)	(4,029)	(14,421)	(23,630)
Balance at 30 June 2025	98,419	15,245	14,464	128,128
Additions	801	11,233	-	12,034
Amortisation expense	(20,920)	(21,019)	(10,816)	(52,755)
Balance at 30 June 2026	78,300	5,459	3,648	87,407

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 and rights to revenue share 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)	November 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2026
Rights to revenue share	Straight-line	Over an estimated expected useful life (5 years)	March 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	-	81,989
Other payables and accruals	25,787	17,323
	25,787	99,312

	2026 $	2025 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	25,787	99,312
GST refundable from / (payable to) the ATO, included in trade and other payables	(6,104)	4,770
	19,683	104,082

Note 16. Lease liabilities

	2026 $	2025 $
Current liabilities		
Land and buildings lease liabilities	44,398	89,494
Non-current liabilities		
Land and buildings lease liabilities	37,210	142,940
	81,608	232,434

Reconciliation of lease liabilities

	2026 $	2025 $
Opening balance	232,434	216,622
Additional lease liabilities recognised	-	74,712
Remeasurement adjustments	(65,776)	7,509
Lease interest expense	8,571	9,288
Lease payments - total cash outflow	(93,621)	(75,697)
	81,608	232,434

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.

Note 16. Lease liabilities (continued)

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Sorell Branch	4.29%	2 years	1 x 2 years	Yes	October 2027
Nubeena Branch	7.43%	52 months	N/A	N/A	July 2029

Remeasurement
During the year, the company remeasured its lease liabilities following a change in the assessment of the relevant lease terms. The remeasurement resulted in a reduction in lease liabilities of $70,208, a reduction in right-of-use assets of $44,764 and a gain of $25,444 recognised in profit or loss. The remainder of the remeasurement attributable to changes in rental amounts.

Note 17. Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	881,212	881,212	881,212	881,212
Less: Equity raising costs	-	-	(34,054)	(34,054)
	881,212	881,212	847,158	847,158

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

Rights attached to issued capital

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

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

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

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

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

Note 17. Issued capital (continued)

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 299. As at the date of this report, the company had 330 shareholders (2025: 322 shareholders).

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

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

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

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

Note 18. Capital management

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

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

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

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

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

Note 19. Dividends

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

	2026 $	2025 $
Fully franked dividend of 5.5 cents per share (2025: 5 cents)	48,467	44,061

Franking credits

	2026 $	2025 $
Franking account balance at the beginning of the financial year	147,440	117,350
Franking credits (debits) arising from income taxes paid (refunded)	(8,611)	44,777
Franking debits from the payment of franked distributions	(16,156)	(14,687)
	122,673	147,440
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	122,673	147,440
Franking credits (debits) that will arise from payment (refund) of income tax	23,849	(20,611)
Franking credits available for future reporting periods	146,522	126,829

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

Note 20. 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.

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

Note 20. Financial risk management (continued)

	2026 $	2025 $
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	16,894	124,693
Trade and other receivables excluding prepayments (note 10)	75,609	43,326
Term deposits (note 11)	563,791	541,709
	656,294	709,728
Financial assets at fair value through profit or loss		
Managed funds (note 11)	100,000	-
Financial liabilities at amortised cost		
Trade and other payables (note 15)	19,683	104,082
Lease liabilities (note 16)	81,608	232,434
	101,291	336,516

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

Accounting policy for financial instruments

Financial assets

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

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

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

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

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

Market risk
The company is exposed to market risk comprising interest rate risk and managed fund price risk. Interest rate risk arises from cash and term deposits held with Bendigo Bank. Price risk arises from the company's investment in managed funds. The company is not exposed to foreign exchange or commodity price risk.

Note 20. Financial risk management (continued)

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 $16,894 and term deposits of $563,791 at 30 June 2026 (2025: $124,693 and $541,709).

Price risk
The company is exposed to price risk through its investment in managed funds. The value of the investment may fluctuate because of changes in the market prices of the underlying investments. The directors manage this exposure by monitoring the performance and composition of the managed fund investment. The company is not directly exposed to commodity price risk.

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

The following are the remaining company's 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	19,683	-	-	19,683
Lease liabilities	45,268	42,917	-	88,185
Total non-derivatives	64,951	42,917	-	107,868

2025	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	104,082	-	-	104,082
Lease liabilities	91,503	159,424	-	250,927
Total non-derivatives	195,585	159,424	-	355,009

Note 21. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2026	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Managed funds	-	100,000	-	100,000
Total assets	-	100,000	-	100,000

Note 21. Fair value measurement (continued)

The managed fund investment is measured at fair value through profit or loss. Fair value is determined by reference to the unit price or net asset value provided by the fund manager at the reporting date. The managed fund is classified as a Level 2 fair value measurement as its fair value is determined using observable inputs other than quoted prices in an active market for an identical asset.

There were no transfers between levels during the financial year.

Note 22. Key management personnel disclosures

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

Michael Kenneth Gordon
Scott Alexander Gatehouse
Anthony David Davis
Michael Evan Larkins
Janice Maree McConnon
Darryn John Charles Scott
Pam Giffard
Ryan Jones
Annette Carol Branch
Jessica Emily Roberts
Penelope Ann Goodland

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

Note 23. Related party transactions

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

Amounts receivable from and payable to related parties
There were no amounts receivable from or payable to related parties at 30 June 2026 or 30 June 2025.

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 $
During the period, the company provided sponsorship to the South East Suns Netball Association, an organisation associated with a director. The total benefit received was:	24,000	11,000
During the period, the company made a donation to the Sorell Girl Guides, an organisation associated with a director. The total benefit received was:	1,600	1,600

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	9,980	7,930
Other services		
Taxation advice and tax compliance services	290	265
General advisory services	7,445	3,550
Share registry services	10,644	8,832
	18,379	12,647
	28,359	20,577

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	99,777	62,354
Adjustments for:		
Depreciation and amortisation	148,038	89,426
Net loss on disposal of non-current assets	-	1,370
Gain on remeasurement of right-of-use assets	(25,444)	-
Lease liabilities interest	8,571	9,288
Change in operating assets and liabilities:		
Increase in trade and other receivables	(31,919)	(5,543)
Decrease/(increase) in income tax refund due	20,611	(20,611)
Decrease in deferred tax assets	3,618	19,526
Increase/(decrease) in trade and other payables	(59,496)	70,168
Increase/(decrease) in provision for income tax	23,849	(20,183)
Increase in deferred tax liabilities	1,453	-
Increase in other provisions	1,126	505
Net cash provided by operating activities	190,184	206,300

Note 26. Earnings per share

	2026 $	2025 $
Profit after income tax	99,777	62,354
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	881,212	881,212
Weighted average number of ordinary shares used in calculating diluted earnings per share	881,212	881,212

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	11.32	7.08
Diluted earnings per share	11.32	7.08

Note 27. Commitments

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

Note 28. Contingencies

There were no 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 BEN'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.

South East Community Enterprises Limited
Directors' declaration
30 June 2026

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

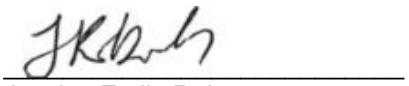
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Jessica Emily Roberts
Treasurer

30 September 2026

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

Independent auditor's report to the Members of South East Community Enterprises Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of South East 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; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of South East 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial report, which indicates that the Company's franchise agreement with Bendigo and Adelaide Bank Limited expires in November 2026 and, at the date of this auditor's report, a formal renewal agreement or letter of support had not been obtained. As stated in Note 5, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Liability limited by a scheme approved under Professional Standards Legislation.

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Annual Report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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: 30 September 2026

Adrian Downing
Lead Auditor

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Bendigo Bank

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