



Annual Report 2026

Strzelecki Ranges
Community Enterprises
Limited

Community Bank
Mirboo North & District

ABN 76 139 013 095

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Chair's report

For year ending 30 June 2026

It is my pleasure to present the 2026 Chair's Report for the Strzelecki Ranges Community Enterprises Limited.

Once again, we were able to deliver a good outcome for our shareholders and customers despite the increasingly challenging global economic climate affecting the banking sector.

This year our focus has been on strengthening our business and responding responsibly to increased regulatory requirements, investing in our local communities whilst delivering shareholder value. I am pleased to announce that our shareholders will again receive a fully franked dividend of 7 cents per share in December. This now brings the total dividend to 72 cents of the original one dollar share price.

Our Company has upheld the commitment of returning 80% of our profits to the communities of Yinnar, Boolarra and Mirboo North. This year, an impressive total of \$106,814 was contributed for projects and initiatives that enhance and advance our communities. One exciting example is our \$40,000 contribution to carry the restoration of the Old Boolarra Post Office building to the finish line. This project converts a dilapidated unused building into a local resource and music venue where the Boolarra Folk Festival committee plans to host a program of smaller music performances throughout the year. Our total return to our communities now stands at \$2,786,701. A very impressive number for our small branch!

Our volunteer Directors remain actively involved in ensuring the business is viable and competitive into the future. Over the past year, their priorities have been to stabilise the workforce following further staff changes, and balance rising costs with the need to maintain a sustainable business.

I am very grateful to our Directors for working diligently and collaboratively to address the challenges of the past twelve months. This year, we welcomed Leigh Mullen and Peter Debreceeny to the Board; both bring valuable expertise and experience that adds much value to our Board. Recently, we said goodbye to Paul Jones and tonight also to Kate Senko. Both have been valuable members of our Board and will be sorely missed.

The success of our Company is underpinned by the commitment and dedication of our wonderful staff, who have consistently gone above and beyond to provide excellent, friendly service to our customers. This year, we welcomed Katrina and Harrison, while bidding a fond farewell to our Branch Manager of two years, Katrina, who takes up a position closer to home. Katrina's work was greatly appreciated by our staff and Directors.

I'd also like to commend our Executive Officer, Company Secretary and Director Anne Marie Dieperink, who fulfills a unique, multiskilled role encompassing all elements of our Company. Anne Marie and the Directors are ably assisted by Viv Williams, Board Support Officer, who's support and collaboration truly make a difference to our team.

Looking ahead, the Board remains committed to maintaining a sustainable business, protecting our customers and continuing to invest in our communities. Thank you to our shareholders, customers, staff, Directors and the community for your continued support!



Machteld Thomas
Chair of the Board

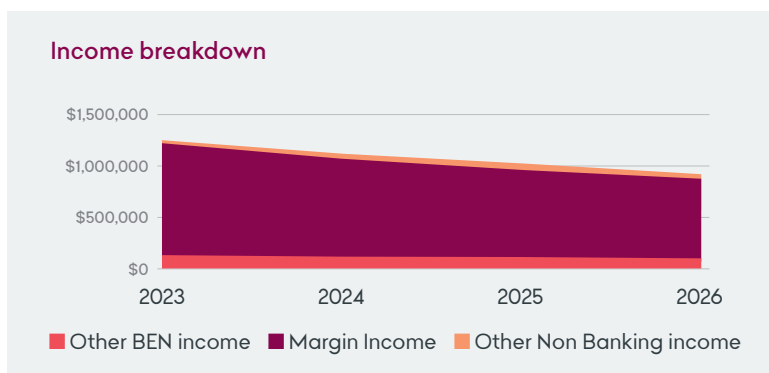
Treasurer's report

For year ending 30 June 2026

Strzelecki Ranges Community Enterprises Ltd. (SRCEL) was established in 2010 with the goal of providing an ongoing banking service to our local communities. Ancillary to that was the hope and expectation that we would be able to generate profits that could be used to support those communities, and to repay the faith that our shareholders had shown in us.

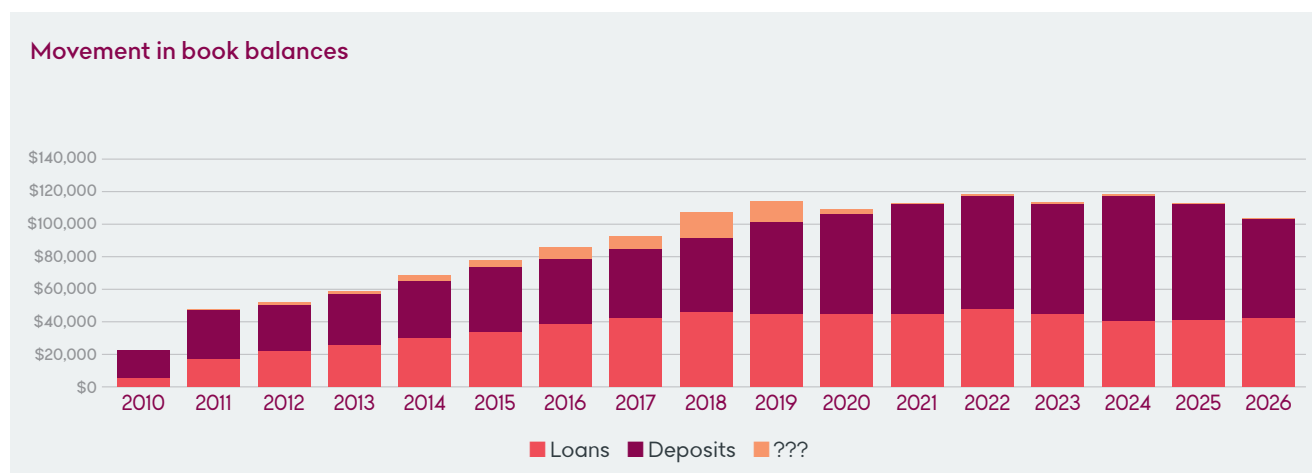
We have achieved all those goals; thanks to your support and the great team we have had in the Community Bank and on the Board.

Banking is an extremely complex and volatile business. However, SRCEL's business of running a Community Bank is quite simple. We employ staff in the branch who operate under Bendigo Bank's processes and guidelines to provide the local banking service. We pay the expenses, and we share the revenue with Bendigo Bank.



Revenue comes from margin income earned on loans and deposits, and fees for various products available through Bendigo Bank such as credit cards and insurance.

Starting from a base of around \$10m in 2010 our book, consisting of loans and deposits, has grown to around \$115m. Our first ten years were very much a growth phase, however over the past five years we have moved into a mature phase, with very little growth, and in fact a declined over the past few years to \$105m. As a business it is critical we push through this for further growth, because as the banking sector faces new challenges our operating environment will become increasingly difficult.



Treasurer's report (continued)

There are potentially difficult times ahead for the community banking sector, including ourselves. This is due to a combination of uncertainty in the global economy, changes in the banking system, and other external factors. It is our obligation as a Board to be aware of these issues, and to take steps to manage the impacts on our business.

One key decision we have made is to focus on increasing retained earnings. This is a balancing act between providing community support (our purpose) and maintaining the long-term viability of our business.

In essence the Board's needs to consider the future impacts of:

- Squeezed profit margins
- Our declining book
- Increased on-line banking and other banking system changes
- Changes in the franchise agreement with Bendigo Bank.

Actions we can take to grow our business.

The financial highlights for 25/26 are that Revenue was down almost \$100k, due to lower Margin Income because of a declining book. Our profit is up \$55k because of the Board's decision to prioritise Retained Earnings.

A key performance indicator is Profit before Community Contributions which was a very healthy \$272k this year. This was down over \$100k since last year due to the reduction in our margin income. So, while it is a healthy outcome, it is also a warning sign that we need to take actions to future proof the business.

We have a very good handle on our expenses, which show virtually no growth except for our salary costs which increase over time mainly due to wage increases. It is worth noting that maintaining our expenses at a stable level doesn't just happen; the Board actively pursue cost savings and scrutinise all expenditure very carefully. One initiative undertaken by Anne Marie and Viv was to take on the management of the share register, including share sales and transfers. This has not only significantly annually but has also provided a better service to shareholders.

Over the past few years, I have analysed our revenue streams in-depth to develop an understanding of the key sources of income, and the key drivers for our continued success as a business. Traditionally we have been of the view that increasing the number and size of home loans was the way to success. However, the home loan market is so tight now, that margins are very low compared to 5-10 years ago.

I have concluded that the path to growth for SRCEL is in increasing the number of customers. We currently have slightly over 2,000 customers, from a target population in our catchment of over 6,000. If we can increase our market penetration to 50%, I believe we will see clear improvements in our financial performance.

This is where we need the support of our communities, including yourselves, in promoting the friendly professional service our Community Bank provides, and the tremendous benefits that flow to the community from your support.



Colin Brick
Treasurer

Bendigo and Adelaide Bank report

For year ending 30 June 2026

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

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

For the financial year ended 30 June 2026

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

Directors

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



Machteld Lebertha Thomas

Title: Non-executive director

Experience and expertise: Currently a self-employed hairdresser. Former managerial roles at David & Leni Hairdressing Salon, Frankston & Rae Dawn Salon, Cheltenham. Self-employed hairdresser for the past 36 years - on-going. Holds a Tertiary Certificate in Behavioural Studies 1A & 1B TAFE, 1985. Qualified Hairdresser & Manicurist, Melbourne School of Hairdressing 1971. Member of Coal and Gasfield Free Mirboo North (former Facilitator & Media Liaison) and Chair & Media Liaison for Preserve our Forests Steering Committee.

Special responsibilities: Chair, Business Development & Community Investment Committee



Janette Mary Head

Title: Non-executive director

Experience and expertise: Janette is retired. Former Bank Officer, Waitress, Head of Retail Department. Staff Trainer. Involved in St Joseph's Catholic Church, Mirboo North Times Newspaper and Friends of Mirboo North Library Group.

Special responsibilities: Business Development & Community Investment and Human Resources & Property Committees



Annette Margaretha Dieperink

Title: Non-executive director

Experience and expertise: Bachelor of Economics, Logistics Manager (Westmin Talc, PENNZOIL Motor Oils), Senior Business Analyst (IBM HQ Amsterdam, AHMG Health Insurance, Sage Technology, GDF-Suez Hazelwood) and Executive Officer /Company Secretary SRCEL 2014 – current. Community Involvement: Committee of Governance Inverloch Community House and President of Bass Coast Pickleball Club.

Special responsibilities: Business Development & Community Investment, Human Resources & Property, Finance & Audit Committee. Company Secretary, Director and Executive Officer.

Directors' report (continued)

Directors (continued)



Colin Alexander Brick

Title: Non-executive director

Experience and expertise: Colin is currently retired. Accountant, B.Comm at Melbourne University. Director at Boolarra Community Hotel. Extensive community involvement.

Special responsibilities: Treasurer, Finance & Audit Committee



Brian Christopher McDermott

Title: Non-executive director

Experience and expertise: Brian worked in the banking and payments industry for 40 years. His most recent roles prior to retiring were consulting to ANZ and NAB in various project management roles which included mentoring project managers, project oversight of customer information warehouse for business banking and Technical Program Manager of a Retail Banking system rollout to 11 Asian Countries. He is a Fellow of the Institute of Public Accountants and a Fellow of the Finance and Securities Institute.

Special responsibilities: Business Development & Community Investment and Finance & Audit Committee



Kathryn Ann Senko

Title: Non-executive director

Experience and expertise: Melbourne University. Cont. Ed studies Architecture & Planning - Facilities Management. Facility Management, Commercial fit-out and relocation project management. Shell Australia - Major Projects No 1 Spring Street; RMIT Asset Management Group - Major Projects, City of Melbourne - CH2, a demonstration of ecologically sustainable design. Australian Conservation Foundation (ACF) & Environment Victoria.

Special responsibilities: Human Resources & Property Committee



Paul David Jones

Title: Non-executive director

Experience and expertise: Bachelor of Surveying Science. Retail Store Manager. Former owner/operator of businesses in retail, construction and hospitality. Former Vice President of Mirboo Country Development Incorporated. Former President of 5 Square Ball Committee.

Special responsibilities: Vice chair, Human Resources and Property Committee



Leigh Charles Mullen

Title: Non-executive director (appointed 31 March 2026)

Experience and expertise: Swinburne University, Graduate Diploma of Business in Human Resource Management, Graduate Certificate of Business in Supply Chain Management. Leigh is currently retired. He is Assistant Secretary & Membership Officer in Lions, plus a volunteer mentor with the TAC L2P Program. Former federal roles in Purchasing & Supply Management, Corporate Services Management, and Human Resources Management.

Special responsibilities: Human Resources & Property Committee, Governance.

Directors' report (continued)

Directors (continued)

Skye Ann de Hommel

Title: Non-executive director (resigned 27 October 2025)

Experience and expertise: Besides being a mum to two boys, Skye is passionate about Community Development. She holds a diploma of Community Welfare and has worked in as a youth caseworker for many years. She is active in her Yinnar community and has organised several large community events.

Special responsibilities: Nil

Leslie John Harmer

Title: Non-executive director (appointed 31 March 2026, resigned 24 April 2026)

Special responsibilities: Nil

Company secretary

The company secretary is Annette Margaretha Dieperink. Annette was appointed to the position of secretary on 9 October 2014.

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 \$124,901 (30 June 2025: \$70,089).

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 7 cents per share (2025: 7 cents)	54,597	54,597

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.

Directors' report (continued)

Matters subsequent to the end of the financial year (continued)

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 and expected results of operations

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

Environmental regulation

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

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
Machteld Lebertha Thomas	11	9
Janette Mary Head	11	9
Annette Margaretha Dieperink	11	11
Colin Alexander Brick	11	9
Brian Christopher McDermott	11	7
Kathryn Ann Senko	11	8
Paul David Jones	11	11
Leigh Charles Mullen	3	3
Skye Ann de Hommel	4	-
*Leslie John Harmer	-	-

* Leslie John Harmer was appointed as a director on 31 March 2026 and ceased on 24 April 2026. During this period, Leslie Harmer did not attend any Board or committee meetings.

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 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' report (continued)

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
Kathryn Ann Senko	2,000	-	2,000
Janette Mary Head	5,000	-	5,000
Annette Margaretha Dieperink	3,759	-	3,759
Brian Christopher McDermott	10,000	-	10,000
Machteld Lebertha Thomas	-	-	-
Colin Alexander Brick	500	-	500
Paul David Jones	-	-	-
Skye Ann de Hommel	-	-	-
Leslie John Harmer	-	-	-

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.

Directors' report (continued)

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 23 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



Machteld Lebertha Thomas
Chair

17 September 2026

Auditor's independence declaration



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

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

As lead auditor for the audit of Strzelecki Ranges 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.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 17 September 2026

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

Adrian Downing
Lead Auditor

Financial statements

Strzelecki Ranges 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	868,855	954,718
Other revenue		18,069	14,659
Finance revenue		22,145	24,646
Fair value gains on financial assets		17,526	28,880
Total revenue		<u>926,595</u>	<u>1,022,903</u>
Employee benefits expense	7	(470,829)	(472,290)
Advertising and marketing costs		(18,068)	(18,343)
Occupancy and associated costs		(19,824)	(19,496)
System costs		(29,479)	(28,396)
Depreciation and amortisation expense	7	(38,539)	(42,163)
Loss on disposal of assets		(2,409)	-
General administration expenses		(75,461)	(72,363)
Total expenses before community contributions and income tax		<u>(654,609)</u>	<u>(653,051)</u>
Profit before community contributions and income tax expense		271,986	369,852
Charitable donations, sponsorships and grants expense	7	<u>(106,814)</u>	<u>(278,100)</u>
Profit before income tax expense		165,172	91,752
Income tax expense	8	<u>(40,271)</u>	<u>(21,663)</u>
Profit after income tax expense for the year		124,901	70,089
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>124,901</u></u>	<u><u>70,089</u></u>
		Cents	Cents
Basic earnings per share	25	16.01	8.99
Diluted earnings per share	25	16.01	8.99

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

Financial statements (continued)

Strzelecki Ranges Community Enterprises Limited Statement of financial position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	645,352	567,426
Trade and other receivables	10	89,072	76,644
Financial assets	11	214,089	177,269
Total current assets		<u>948,513</u>	<u>821,339</u>
Non-current assets			
Property, plant and equipment	12	464,440	490,797
Intangible assets	13	58,363	72,954
Total non-current assets		<u>522,803</u>	<u>563,751</u>
Total assets		<u>1,471,316</u>	<u>1,385,090</u>
Liabilities			
Current liabilities			
Trade and other payables	14	74,395	53,200
Current tax liabilities	8	27,414	3,488
Employee benefits	15	28,032	43,461
Total current liabilities		<u>129,841</u>	<u>100,149</u>
Non-current liabilities			
Trade and other payables	14	48,150	64,200
Deferred tax liabilities	8	55,364	57,671
Employee benefits	15	8,420	3,833
Total non-current liabilities		<u>111,934</u>	<u>125,704</u>
Total liabilities		<u>241,775</u>	<u>225,853</u>
Net assets		<u>1,229,541</u>	<u>1,159,237</u>
Equity			
Issued capital	16	760,615	760,615
Reserves		167,760	167,760
Retained earnings		301,166	230,862
Total equity		<u>1,229,541</u>	<u>1,159,237</u>

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

Financial statements (continued)

Strzelecki Ranges Community Enterprises Limited Statement of changes in equity For the year ended 30 June 2026

	Note	Issued capital \$	Revaluation Reserve	Retained earnings \$	Total equity \$
Balance at 1 July 2024		760,615	167,760	215,370	1,143,745
Profit after income tax expense		-	-	70,089	70,089
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	70,089	70,089
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	18	-	-	(54,597)	(54,597)
Balance at 30 June 2025		<u>760,615</u>	<u>167,760</u>	<u>230,862</u>	<u>1,159,237</u>
 Balance at 1 July 2025		 760,615	 167,760	 230,862	 1,159,237
Profit after income tax expense		-	-	124,901	124,901
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	124,901	124,901
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	18	-	-	(54,597)	(54,597)
Balance at 30 June 2026		<u>760,615</u>	<u>167,760</u>	<u>301,166</u>	<u>1,229,541</u>

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

Financial statements (continued)

Strzelecki Ranges 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)		957,581	1,079,838
Payments to suppliers, employees and community contributions (inclusive of GST)		(797,838)	(964,532)
Dividends received		8,628	7,642
Interest received		20,723	24,556
Income taxes paid		(22,686)	(31,466)
Net cash provided by operating activities	24	166,408	116,038
Cash flows from investing activities			
Investment in financial assets		(19,294)	-
Payments for property, plant and equipment	12	-	(1,679)
Payments for intangible assets		(14,591)	-
Net cash used in investing activities		(33,885)	(1,679)
Cash flows from financing activities			
Dividends paid	18	(54,597)	(54,597)
Net cash used in financing activities		(54,597)	(54,597)
Net increase in cash and cash equivalents		77,926	59,762
Cash and cash equivalents at the beginning of the financial year		567,426	507,664
Cash and cash equivalents at the end of the financial year	9	645,352	567,426

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

Notes to the financial statements

30 June 2026

Note 1. Reporting entity

The financial statements cover Strzelecki Ranges 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 88 Ridgway Road, Mirboo North VIC 3871.

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 basis and under the historical cost convention, except for land and buildings and financial assets at fair value through profit or loss, which are measured at fair value. The financial statements 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 17 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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Financial assets at fair value through profit or loss

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Notes to the financial statements (continued)

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

Fair value measurement hierarchy

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

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Estimates and assumptions

Estimation of useful lives of assets

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

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 eligible to be for entitlement in accordance with long service leave 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 July 2030.

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

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

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

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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	753,836	839,825
Fee income	48,037	56,916
Commission income	66,982	57,977
	<u>868,855</u>	<u>954,718</u>

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 13 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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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	424,416	409,671
Superannuation contributions	45,478	45,057
Expenses related to long service leave	(10,318)	3,481
Other expenses	11,253	14,081
	<u>470,829</u>	<u>472,290</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	13,604	13,604
Improvements	7,810	12,331
Plant and equipment	2,534	3,256
	<u>23,948</u>	<u>29,191</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,432	2,162
Franchise renewal fee	12,159	10,810
	<u>14,591</u>	<u>12,972</u>
	<u>38,539</u>	<u>42,163</u>

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	106,814	84,100
Contribution to the Mirboo North & District Community Foundation	-	194,000
	<u>106,814</u>	<u>278,100</u>

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 Mirboo North & District Community Foundation (MNDCF) and the Community Enterprise Foundation™ (CEF) are available for distribution as community grants, education support and donations to eligible applicants for a specific purpose. Funds contributed by the company to the MNDCF and the CEF are not refundable to the company.

	2026 \$	2025 \$
<i>Funds available for distribution</i>		
Mirboo North & District Community Foundation	1,007,955	1,000,648
Community Enterprise Foundation™	91,426	103,415
	<u>1,099,381</u>	<u>1,104,063</u>

Notes to the financial statements (continued)

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	45,363	21,648
Movement in deferred tax	(2,307)	2,172
Net benefit of franking credits on dividends received	(2,785)	(2,160)
Under/over adjustment	-	3
Aggregate income tax expense	<u>40,271</u>	<u>21,663</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>165,172</u>	<u>91,752</u>
Tax at the statutory tax rate of 25%	41,293	22,938
Tax effect of:		
Non-deductible expenses	1,071	342
Other assessable income	692	540
Net benefit of franking credits on dividends received	<u>(2,785)</u>	<u>(2,160)</u>
	40,271	21,660
Under/over adjustment	-	3
Income tax expense	<u>40,271</u>	<u>21,663</u>
	2026 \$	2025 \$
<i>Deferred tax liabilities/(assets)</i>		
Property, plant and equipment	57,334	61,994
Net fair value gain on investments	6,199	6,933
Income accruals	1,903	1,548
Employee benefits	(9,113)	(11,824)
Accrued expenses	<u>(959)</u>	<u>(980)</u>
Deferred tax liability	<u>55,364</u>	<u>57,671</u>
	2026 \$	2025 \$
Provision for income tax	<u>27,414</u>	<u>3,488</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Notes to the financial statements (continued)

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	<u>645,352</u>	<u>567,426</u>

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	<u>75,102</u>	<u>66,557</u>
Other receivables and accruals	7,612	6,190
Prepayments	<u>6,358</u>	<u>3,897</u>
	<u>13,970</u>	<u>10,087</u>
	<u>89,072</u>	<u>76,644</u>

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	89,072	76,644
Less prepayments, included in trade and other receivables	<u>(6,358)</u>	<u>(3,897)</u>
	<u>82,714</u>	<u>72,747</u>

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. Financial assets

	2026 \$	2025 \$
Equity securities - designated at fair value through profit or loss	<u>214,089</u>	<u>177,269</u>

Reconciliation

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

Opening fair value	177,269	148,389
Additions	19,294	-
Revaluation increments	<u>17,526</u>	<u>28,880</u>
Closing fair value	<u>214,089</u>	<u>177,269</u>

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

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

Notes to the financial statements (continued)

Note 11. Financial assets (continued)

Refer to note 20 for further information on fair value measurement.

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Land - at fair value	95,000	95,000
Buildings - at fair value	380,000	380,000
Less: Accumulated depreciation	(27,208)	(13,604)
	352,792	366,396
Improvements - at cost	123,678	117,274
Less: Accumulated depreciation	(113,734)	(114,098)
	9,944	3,176
Plant and equipment - at cost	48,228	68,771
Less: Accumulated depreciation	(41,524)	(42,546)
	6,704	26,225
	464,440	490,797

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

	Land \$	Buildings \$	Improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2024	95,000	380,000	18,106	27,802	520,908
Additions	-	-	-	1,679	1,679
Disposals	-	-	(2,599)	-	(2,599)
Depreciation	-	(13,604)	(12,331)	(3,256)	(29,191)
Balance at 30 June 2025	95,000	366,396	3,176	26,225	490,797
Disposals	-	-	(2,409)	-	(2,409)
Transfers in/(out)	-	-	16,987	(16,987)	-
Depreciation	-	(13,604)	(7,810)	(2,534)	(23,948)
Balance at 30 June 2026	95,000	352,792	9,944	6,704	464,440

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:

Building	40 years
Improvements	6 to 40 years
Plant and equipment	1 to 12 years

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

Improvements are depreciated over the estimated useful life of the assets.

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 13. Intangible assets

	2026 \$	2025 \$
Franchise fee	44,265	44,265
Less: Accumulated amortisation	(34,538)	(32,106)
	<u>9,727</u>	<u>12,159</u>
Franchise renewal fee	171,326	171,326
Less: Accumulated amortisation	(122,690)	(110,531)
	<u>48,636</u>	<u>60,795</u>
	<u><u>58,363</u></u>	<u><u>72,954</u></u>

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	2,162	10,810	12,972
Additions	12,159	60,795	72,954
Amortisation expense	(2,162)	(10,810)	(12,972)
Balance at 30 June 2025	12,159	60,795	72,954
Amortisation expense	(2,432)	(12,159)	(14,591)
Balance at 30 June 2026	<u><u>9,727</u></u>	<u><u>48,636</u></u>	<u><u>58,363</u></u>

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

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

Notes to the financial statements (continued)

Note 14. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	19,082	22,408
Other payables and accruals	55,313	30,792
	<u>74,395</u>	<u>53,200</u>
<i>Non-current liabilities</i>		
Other payables and accruals	48,150	64,200
	<u>122,545</u>	<u>117,400</u>
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	122,545	117,400
Less statutory payables, included in trade and other payables	(27,676)	7,073
	<u>94,869</u>	<u>124,473</u>

Note 15. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	20,534	21,058
Long service leave	7,498	22,403
	<u>28,032</u>	<u>43,461</u>
<i>Non-current liabilities</i>		
Long service leave	8,420	3,833
	<u>36,452</u>	<u>47,294</u>

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.

Notes to the financial statements (continued)

Note 16. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	779,962	779,962	781,299	781,299
Less: Equity raising costs	-	-	(20,684)	(20,684)
	<u>779,962</u>	<u>779,962</u>	<u>760,615</u>	<u>760,615</u>

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 263. As at the date of this report, the company had 302 shareholders (2025: 326 shareholders).

Notes to the financial statements (continued)

Note 16. Issued capital (continued)

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 17. 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 18. 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 7 cents per share (2025: 7 cents)	54,597	54,597

Notes to the financial statements (continued)

Note 18. Dividends (continued)

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	145,481	130,054
Franking credits (debits) arising from income taxes paid (refunded)	22,686	31,466
Franking debits from the payment of franked distributions	(18,199)	(18,199)
Franking credits from franked distributions received	2,785	2,160
	<u>152,753</u>	<u>145,481</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	152,753	145,481
Franking credits (debits) that will arise from payment (refund) of income tax	27,414	3,488
Franking credits available for future reporting periods	<u>180,167</u>	<u>148,969</u>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Accounting policy for dividends

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

Note 19. Financial risk management

The company's financial instruments include trade and other receivables, trade and other payables, cash and cash equivalents and listed equity investments. The company does not have any derivative financial instruments.

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 cash and short-term receivables are held at amortised cost and have carrying values that approximate fair value due to their short-term nature. Trade and other payables are carried at amortised cost, with \$48,150 payable between one and five years after the reporting date.
- The company has no borrowings.

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

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 9)	645,352	567,426
Trade and other receivables excluding prepayments (note 10)	82,714	72,747
Financial assets (note 11)	<u>214,089</u>	<u>177,269</u>
	<u>942,155</u>	<u>817,442</u>
Financial liabilities		
Trade and other payables (note 14)	<u>94,869</u>	<u>124,473</u>

Notes to the financial statements (continued)

Note 19. Financial risk management (continued)

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 listed entities over which the company does not have significant influence nor control.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the board.

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 \$645,352 at 30 June 2026 (2025: \$567,426).

Equity Price risk

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

Notes to the financial statements (continued)

Note 19. Financial risk management (continued)

	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
2026						
Equity securities	10%	<u>21,409</u>	<u>16,057</u>	(10%)	<u>(21,409)</u>	<u>(16,057)</u>
	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
2025						
Equity securities	10%	<u>17,727</u>	<u>13,295</u>	(10%)	<u>(17,727)</u>	<u>(13,295)</u>

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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026				
Trade and other payables	46,719	48,150	-	94,869
Total non-derivatives	<u>46,719</u>	<u>48,150</u>	<u>-</u>	<u>94,869</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	46,068	64,200	-	110,268
Total non-derivatives	<u>46,068</u>	<u>64,200</u>	<u>-</u>	<u>110,268</u>

Note 20. Fair value measurement

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2026				
Assets				
Equity securities	214,089	-	-	214,089
Land	-	95,000	-	95,000
Buildings	-	380,000	-	380,000
Total assets	<u>214,089</u>	<u>475,000</u>	<u>-</u>	<u>689,089</u>

Notes to the financial statements (continued)

Note 20. Fair value measurement (continued)

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Equity securities	177,269	-	-	177,269
Land	-	95,000	-	95,000
Buildings	-	380,000	-	380,000
Total assets	177,269	475,000	-	652,269

There were no transfers between levels during the financial year.

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

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

Note 21. Key management personnel disclosures

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

Machteld Lebertha Thomas
Janette Mary Head
Annette Margaretha Dieperink
Colin Alexander Brick
Brian Christopher McDermott

Kathryn Ann Senko
Paul David Jones
Leigh Charles Mullen
Skye Ann de Hommel

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

Annette Margaretha Dieperink receives a salary for her role as company secretary and executive officer.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

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

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

Annette Margaretha Dieperink receives remuneration for her employment as executive officer and company secretary.

Notes to the financial statements (continued)

Note 22. Related party transactions (continued)

The following transactions occurred with related parties:

	2026 \$	2025 \$
The company made a donation to Boolarra Memorial Park which is a related party of a director	-	4,215
The company made a donation to 1st Mirboo North Scouts which is a related party of a director	300	4,682

Note 23. Remuneration of auditors

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

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,305	8,028
<i>Other services</i>		
Taxation advice and tax compliance services	290	265
General advisory services	3,959	3,880
	4,249	4,145
	12,554	12,173

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	124,901	70,089
Adjustments for:		
Depreciation and amortisation	38,539	42,163
Net loss on disposal of non-current assets	2,409	2,599
Increase in fair value of equity instruments designated at FVTPL	(17,526)	(28,880)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(12,428)	22,260
Increase in trade and other payables	19,736	19,067
Increase/(decrease) in provision for income tax	23,926	(14,475)
Increase/(decrease) in deferred tax liabilities	(2,307)	2,172
Increase/(decrease) in employee benefits	(10,842)	1,043
Net cash provided by operating activities	166,408	116,038

Note 25. Earnings per share

	2026 \$	2025 \$
Profit after income tax	124,901	70,089

Notes to the financial statements (continued)

Note 25. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	779,962	779,962
Weighted average number of ordinary shares used in calculating diluted earnings per share	779,962	779,962
	Cents	Cents
Basic earnings per share	16.01	8.99
Diluted earnings per share	16.01	8.99

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. 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.

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



Machteld Lebertha Thomas
Chair

17 September 2026

Independent audit report



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 Strzelecki Ranges Community Enterprises Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Strzelecki Ranges 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 Strzelecki Ranges 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, and
- the Directors' declaration.

Basis for opinion

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.

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

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



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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.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 17 September 2026

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

Adrian Downing
Lead Auditor

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