

Annual Report 2026

Tugun & District Finances
Limited

Tugun

ABN 57 102 056 306



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Chair's report

For year ending 30 June 2026



The 2026 financial year was one of change, and growth at Tugun & District Finances Limited (TDFL). We congratulated our long-standing Branch Manager, Allan on fifteen years of dutiful service to our business and our community and wished him well in his well-earned retirement.

We were delighted to welcome Kath to the role of Branch Manager during the year. Kath has settled into her new role exceptionally well and has quickly become an integral part of our team and community.

Throughout FY26, TDFL has sought to help connect Kath and other new staff members to our local community and worked tirelessly to continue to expand our network via new strategic partnerships and an ever-growing calendar of events.

Since joining Community Bank Tugun, Kath has been focused on building strong relationships with our key stakeholders, community partners and customers, while also driving business growth and strengthening the branch's presence within our local community.

Her extensive retail banking experience, combined with her genuine commitment to our customers and community, has been a valuable addition to the business. We look forward to seeing Kath continue to build on these relationships and contribute to the ongoing success of Community Bank Tugun.

As a Board, we are proud of the achievements of Tugun & District Finances Limited throughout the 2025/26 financial year. The Company delivered a strong financial result, recording a profit before community contributions and tax of \$458,862.

While financial sustainability remains essential to the ongoing success of our business, our Community Bank model is about more than financial performance. It is about using the success of our banking business to create meaningful and lasting benefits for the communities we serve.

Due to the strong financial result, we contributed \$311,400 back into our local community supporting a diverse range of organisations, projects, programs and initiatives such as our business networking and fundraising events supporting local business and well-deserved community organisations. A further \$178,306 was provided from our off balance sheet Community Enterprise Foundation account bringing the total to an impressive \$489,706, in support of our local community.

Earlier this year, we committed to significant financial support for the 'currently under construction' brand new Currumbin Wildlife Hospital, with monies to fund several pieces of key medical and research equipment.

We also co-ordinated our annual Community Investment Program, offering continued support to existing community partners, whilst also welcoming new local enterprises to our network. The Community Engagement Committee report within the annual report will provide more detail of our involvement and support in our community.

We were most proud to announce recently that we have surpassed a total of \$4.5 million provided in community support over our 23 years of operation. This equates to an average of \$200,000 per year!

At Board level, Chairperson Peter Dirx moved on to new endeavours, with myself and Seamus Miller being appointed as Co-Chairpersons of the Board. I've been a Director on the Board for over eleven years and this is my second stint as Chair, whilst Seamus' more recent involvement has brought great insight and energy to our organisation.

Chair's report (continued)

For our loyal shareholders, we've always aimed to provide a 7% fully franked dividend as the benchmark. Over the past three financial years we've also been able to pay special dividends exceeding that return. For the 2026 financial year, we are pleased to announce the dividend will be 7% fully franked plus a special dividend of a further 3.0% fully franked.

I want to take this opportunity to thank our staff for their outstanding professionalism and commitment to our community model, Maris Dirkx for her abundance of energy and organisation in her capacity as the Board's Executive Assistant, and also I would like to thank my fellow Board members for their focus on ensuring the prosperity of our three key stakeholders – staff, community and shareholders.



Cameron Window
Co-Chair, Tugun and District Finances Ltd

Manager's report

For year ending 30 June 2026



Executive Summary

As Branch Manager of Community Bank Tugun and having completed my first 12 months leading our branch, I am proud to present the Branch Manager's Report for the 2025–26 financial year. It has been an active and rewarding year defined by resilience, strategic realignment, and sustained business growth.

Our focus this year has balanced solidifying existing community relationships, cultivating new local connections, and implementing a restructured branch operating model, all while uplifting operational standards and driving meaningful value for our customers.

Financial & Business Performance

In an evolving economic and interest rate environment, our balance sheet demonstrated strong community confidence, led by significant deposit portfolio expansion.

Metric	FY25	FY26
Total Book Value	\$209.7M	\$216.0M
Deposits	\$161.0M	\$172.0M
Lending	\$45.7M	\$40.0M
Business Growth	\$6.3m gross growth	

Portfolio Snapshot as at 30 June 2026:

- Customer Base: 5,347 active customers
- Cross-Product Holding: 2.5 products per customer
- Total Footings Under Management: \$216 million

While national refinancing trends and competitive pressures impacted our overall lending portfolio, our substantial \$11 million deposit growth (+6.8%) highlights our reputation as a trusted local home for savings and day-to-day banking.

Community Impact & Engagement

Returning banking profits to fuel local prosperity remains the core purpose of Community Bank Tugun:

- **Direct Community Investment:** Through company profits, we returned \$311,400 in community grants, charitable donations, and sponsorships across our local region, and a further \$178,306 paid from our off balance sheet Community Enterprise Foundation account.
- **Grassroots Support:** Our team actively participated in and supported numerous local initiatives, sporting clubs, and community projects to foster economic resilience and social connection.
- **Active Representation:** Alongside our Directors and committee members, myself and branch staff attended over 50 community and networking events throughout the year, strengthening our local presence across the Southern Gold Coast.

Manager's report (continued)

Our People & Branch Evolution

The achievements of this past year would not have been possible without the dedication, adaptability, and care of our branch team during a period of transition:

- We acknowledged the retirement of long-serving Branch Manager Allan, thanking him for his leadership and contributions to our community
- Julie transitioned from Branch Operations Manager into a part-time role, maintaining operational continuity and customer relations
- We welcomed Katrina as our new Customer Relationship Manager, to target and uplift our lending capacity and business development focus.

I extend my appreciation to Dorri, Lily, Charlee, Julie, Katrina, and Vicki. Your teamwork and resilience in the face of change have driven our culture and customer satisfaction.

Acknowledgements & Outlook

I would like to express my sincere gratitude to the Board of Directors and our committee members for your ongoing governance, guidance and community advocacy.

I would also like to extend our sincere appreciation to our shareholders for their ongoing support, belief and confidence in the Bendigo Bank Community Bank Model. Your continued commitment has played an important role in the success of our branch and our ability to make a meaningful difference in the communities we serve.

I also extend my thanks to our Gold Coast and South Brisbane Regional Manager, Simon Brown, for his leadership, strategic counsel, and continued support.

As we look ahead to FY 2026–27, Community Bank Tugun is well-positioned to expand our customer base, deepen our lending relationships, and ensure our community continues to thrive.



Kath Costello
Branch Manager

Community engagement committee report

For year ending 30 June 2026



It is with great pleasure I present the Community Engagement Committee Report for the 2025/26 financial year.

The 2025/26 financial year was another productive year for the Community Engagement Committee, with a strong focus on strengthening our community presence, building meaningful relationships and creating opportunities that support both the branch and the communities we serve.

Two major fundraising events were highlights of the year, bringing together customers, businesses, community organisations and supporters to make a meaningful difference to local causes.

Southern Business Women Connect – August 2025

Our annual Southern Business Women Connect event provided an opportunity to recognise the important support available to people affected by breast cancer. Through the generosity of our guests, sponsors and supporters, we raised \$15,391 for The Quiet Courage Foundation. Funds will assist the Foundation in providing pamper packs to cancer patients at John Flynn Private Hospital and Tweed Valley Hospital.

Trivia for a Cause – May 2026

Our Trivia for a Cause event was another outstanding success, with all 200 places sold and an incredible \$51,950 raised for Veterans' Support Centre. The funds will assist the Centre in continuing to provide valuable programs and services to support veterans and their families.

The success of both events demonstrated the generosity of our community and the impact that can be achieved when local organisations, businesses and individuals come together around a shared purpose.

Our support for the local business community also continued through the quarterly GC South Business Connect events. These gatherings provide a valuable forum for business and community representatives to connect, share experiences, build relationships and identify opportunities for collaboration. By bringing people together, the network contributes to stronger local connections while supporting business growth and a more connected regional community.

Community investment remained a key priority throughout the year. During the 2025/26 financial year, the company provided \$293,218 in sponsorships and donations and a further \$18,182 was contributed to our Community Enterprise Foundation as set out in the audited reports of the company.



Top: Southern Business Women Connect. Above: Trivia for a Cause

Community engagement committee report (continued)

During the 2025/26 financial year funds of \$178,306 were paid out of our Community Enterprise Foundation, the company's off-balance sheet charitable fund, in grants and scholarships. In summary, an impressive total of \$471,524 was returned to community to support over 30 projects and initiatives for the benefit of the local community.

Another highlight of the year was the opportunity to name a koala joey at Currumbin Wildlife Sanctuary. The community was invited to vote from four proposed names, with Ngulli selected as the winning choice. Meaning "community" or "connection" in the local Yugambah language, the name reflects the spirit of the Community Engagement Committee and what it thrives to achieve. We were delighted to meet Ngulli and learn more about her continued development at the Sanctuary.

Looking ahead, we will continue to strengthen our relationships with local community organisations, with an increasing focus on financial wellbeing and awareness. Through targeted partnerships, activations and community engagement opportunities, we aim to help more people access financial information and support while creating opportunities to increase brand awareness, develop new business relationships and generate leads for the branch.

Below is a list of this year's recipients.

Bowlapalooza
Currumbin Community Lifestyle & Recreation
Currumbin Gift Athletic Club
Currumbin Valley State School P&C
Currumbin Vikings SLSC
Elanora State High School P&C
Elanora State School P&C
Fight 4 Youth
Flotsam Festival
Gecko Environment Council
Gold Coast Para Surfers Association
HubbleGC
National Trust QLD
Palm Beach Dragons

Palm Beach SLSC
Palm Beach Soccer Club
Palm Beach Touch Football
PBC Cricket Club
PBC State High School P&C
Surf World Gold Coast
SWELL Sculpture Festival
The Brain Injury Community Inc.
Tugun Lights Up
Tugun Progress Association
Tugun Seahawks JRLC
Tugun SLSC
Veterans' Support Centre
Waves of Wellness Foundation



Name the Koala Joey competition, Ngulli



Palm Beach Soccer Club

The Committee remains committed to the Community Bank model of profit with purpose — growing a successful business while ensuring that the benefits of our customers' banking are shared throughout our local community.

This impact is made possible through the support of our shareholders and customers. Up to 80% of the profits generated through our customers' banking can be returned to the community through grants, sponsorships, scholarships and partnerships. Every account, loan and banking relationship has the potential to contribute to something bigger.



Tugun SLSC

If you are not already banking with Community Bank Tugun, we encourage you to consider how your banking could help make a difference locally. And if you are already a customer, we invite you to share our story with your family, friends and colleagues. Together, we can continue to grow the impact we make in our community.

For the latest news, community stories, and event updates, follow Community Bank Tugun on Facebook and Instagram. You can also connect with us professionally on LinkedIn at Tugun & District Finances Limited.

I would like to take this opportunity to thank the Board of Directors and staff for their continued dedication to the committee and our initiatives. A big thank you as well to our CEC committee members for volunteering their time, support, and dedication to our community.

We look forward to another year of connecting our community.

Kaylee Campradt
Director/Community Engagement Committee Chair

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

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:	Benjamin John Crompton
Title:	Non-executive director
Experience and expertise:	Benjamin is an Accountant and Solicitor and owns a small combined practice in Tugun. Benjamin is a current board member of Koala Research Foundation Australia and a former board member of Connecting Southern Gold Coast.
Special responsibilities:	Treasurer.
Name:	Cameron Kenneth Window
Title:	Non-executive director
Experience and expertise:	Bachelor of Business - QUT. Bachelor of Applied Science - QUT. Diploma of Financial Markets - AFMA. Occupations: Executive Manager - Fixed Income - MINT Partners (current). Associate Director - Fixed Income - FIIG Securities (2012 - 2016). Project Manager and Analyst - Flight Centre (2010 - 2012). Area Operations Leader - Flight Centre (2005 - 2010). Skills: Financial markets trading and analysis. Relationship/account management. Business operations and project management.
Special responsibilities:	Co-chair, Member of Finance, Risk & Audit Committee.
Name:	Robert William Marshall
Title:	Non-executive director
Experience and expertise:	Retired solicitor. Robert has experience in small real estate development and is member of Finance Committee of a large private School.
Special responsibilities:	Company Secretary and Chair of Finance, Risk & Audit Committee.
Name:	Norbert Anthony Benton
Title:	Non-executive director
Experience and expertise:	Over twenty years professional experience in environmental management and sustainability, including environment manager roles with Queensland Airports Limited and Gold Coast Airport. Through his professional career and having completed a Bachelor of Science at Central Queensland University has equipped Norbert with the skills and knowledge to lead environmental management, sustainable development, governance and risk management practices. Norbert also has extensive stakeholder engagement experience across industry, regulatory and community sectors.
Special responsibilities:	Member of Finance, Risk & Audit Committee.
Name:	Sean David Powell
Title:	Non-executive director
Experience and expertise:	Sean is a Partner at Robbins Watson Solicitors, Burleigh Waters. Previously working as Solicitor - Property & commercial; wills and estates; family law; and litigation. He holds a Bachelor of Laws (Hons) Queensland University of Technology, Bachelor Business (Marketing) Queensland University of Technology, Graduate Diploma (Legal Practice) Australian National University, Queensland Legal Practising Certificate. Admitted to Supreme Court of Queensland and High Court of Australia as a Lawyer. Principal Practising Certificate - Queensland Law Society. Memberships include Gold Coast District Law Association, Queensland Law Society, New South Wales Law Society, Society of Trust and Estate Practitioners (STEP).
Special responsibilities:	Member of Finance, Risk & Audit Committee.

Directors' report (continued)

Name:	Seamus Miller
Title:	Non-executive director
Experience and expertise:	Masters of Professional Engineering Leadership, Bach Eng (Aeronautical), Graduate AICD. 25 years experience consulting and 15 years of leadership and management experience in Strategy and Technology across a range of Aerospace and emerging technology fields.
Special responsibilities:	Co-chair, Member of Community Engagement Committee.
Name:	Christopher Capra
Title:	Non-executive director (<i>appointed 1 July 2025</i>)
Experience and expertise:	Chris is currently the Executive Principal at Palm Beach Currumbin State High School (PBC). Chris has been employed by the Queensland Government through the Department of Education for 29 years. Chris has a Bachelor of Teaching and a Bachelor of Education and he is a member and state councillor for the Queensland Secondary Principals' Association. In addition, Chris holds two state level committee position for the Queensland Teachers' Union and is also an Area Councillor.
Special responsibilities:	Member of Finance, Risk & Audit Committee.
Name:	Pamela Pointon
Title:	Non-executive director (<i>appointed 1 December 2025</i>)
Experience and expertise:	Fellow Chartered Accountants CAANZ, Fellow CPA Australia, Graduate Australian Institute of Company Directors, experienced Director and in Senior Finance Roles.
Special responsibilities:	Member of Finance, Risk & Audit Committee and Member of Community Engagement Committee.
Name:	Larissa Rose
Title:	Non-executive director (<i>resigned 30 June 2026</i>)
Experience and expertise:	Larissa is the Director and Founder of GG Enviro, a multi-award winning and energetic professional with a comprehensive knowledge of environment, climate change, sustainability, and renewable energy and fuels. Larissa has over 16 years professional experience in environmental science management, environmental policy, governance, risk and regulatory compliance. Larissa has completed her environmental management degrees, whilst completing a Masters in Environmental Management, Climate Change and Sustainable Development, a post graduate certificate in Carbon Management, and a Capstone research project in the economic viability of renewable fuels in Australia all completed and achieved at Bond University on the Gold Coast. Previously Larissa founded and was the Director of the Queensland Renewable Fuels Association, which saw her successfully advocate and work with government and policy developers to have enacted the Qld State Government, Biofuels Mandate seeing renewable fuels become part of the fuel mix at service stations across Queensland. Larissa is a regular speaker, presenter and local recognised environmental expert.
Special responsibilities:	Chair of Community Engagement Committee.
Name:	Georgina Louise Tomlinson
Title:	Non-executive director (<i>resigned 14 August 2025</i>)
Experience and expertise:	Georgina has a Bachelor of Commerce - Australian National University. She has a background in Marketing & Events and Apprenticeship & Traineeship Support. Georgina has worked in the Department of Education and currently at the Department of Regional Development, Manufacturing & Water.
Special responsibilities:	Chair of Community Engagement Committee.

Directors' report (continued)

Name:	Peter Anthony Dirxx
Title:	Non-executive director (<i>resigned 6 August 2025</i>)
Experience and expertise:	Peter has 16 years in Senior Management positions with Bendigo & Adelaide Bank, with over 10 years in the Community Banking team. He has over 30 years in management roles within the Banking and Finance sector. He has extensive experience on community consultation and engagement and in community banking and not for profit governance and strategic planning. Peter has attended and facilitated numerous Australian Institute of Company Directors (AICD) and Governance Institute of Australia (GIA) workshops, forums and seminars. He has expertise in facilitating community forums, director education workshops and conferences. Currently working as Development Manager (Engagement) with the Office of Engagement at Bond University (Gold Coast). Tertiary and formal qualifications include Financial Analysis for Officers & Directors (Governance Institute of Australia), Not-for-Profit Financial Management & Regulatory Compliance (Governance Institute of Australia), Risk Management & Governance Essentials (Governance Institute of Australia), Duties of Officers and Directors (Governance Institute of Australia), Director Development Program (Australian Institute of Company Directors), Certificate IV Business, Advanced Leadership Management Program, Operational Risk Management, Certificate IV Frontline Management, Certificate III Small Business Management, Certificate IV Financials Services and Certificate in Credit Analysis.
Special responsibilities:	Chair and Consultant to both the Finance Risk & Audit Committee and Community Engagement Committee.

Company secretary

The company secretary is Robert William Marshall. Robert was appointed to the position of company secretary on 23 January 2008.

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 \$99,421 (30 June 2025: \$118,775).

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)	42,000	42,000
Bonus fully franked dividend of 5 cents per share (2025: 7 cents)	30,000	42,000
	<u>72,000</u>	<u>84,000</u>

Significant changes in the state of affairs

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

Directors' report (continued)

Matters subsequent to the end of the financial year

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

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

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

Likely developments 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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board		Finance, Risk & Audit Committee		Community Engagement Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Benjamin John Crompton	14	13	9	7	-	-
Cameron Kenneth Window	14	13	-	-	-	-
Robert William Marshall	14	12	9	9	-	-
Norbert Anthony Benton	14	12	9	6	-	-
Sean David Powell	14	10	9	1	-	-
Seamus Miller	14	11	-	-	12	3
Christopher Capra	14	13	6	2	3	1
Pamela Pointon	8	8	6	5	3	2
Larissa Rose	14	13	-	-	11	8
Georgina Louise Tomlinson	1	-	-	-	-	-
Peter Anthony Dirkx	1	-	-	-	-	-

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' 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
Benjamin John Crompton	-	-	-
Cameron Kenneth Window	17,650	-	17,650
Robert William Marshall	33,000	-	33,000
Norbert Anthony Benton	1,000	-	1,000
Sean David Powell	-	-	-
Seamus Miller	-	-	-
Christopher Capra	10,000	2,000	12,000
Pamela Pointon	-	-	-
Larissa Rose	-	-	-
Georgina Louise Tomlinson	-	-	-
Peter Anthony Dirx	1,000	-	1,000

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

Directors' report (continued)

- 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 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



Robert Marshall
Company Secretary

29 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

Auditor's independence declaration under section 307C of the *Corporations Act 2001* to the members of Tugun & District Finances Limited

As lead auditor for the audit of Tugun & District Finances 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: 29 September 2026

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Financial statements

Tugun & District Finances 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	7	1,769,483	1,818,470
Other revenue		509	4,995
Finance revenue		33,938	37,646
Total revenue		<u>1,803,930</u>	<u>1,861,111</u>
System costs		(22,638)	(23,245)
Advertising and marketing costs		(73,734)	(49,676)
Employee benefits expense	8	(822,881)	(710,329)
Occupancy and associated costs		(43,284)	(33,841)
Depreciation and amortisation expense	8	(143,675)	(148,479)
General administration expenses		(194,640)	(179,842)
Finance costs	8	(44,216)	(47,412)
Total expenses before community contributions and income tax expense		<u>(1,345,068)</u>	<u>(1,192,824)</u>
Profit before community contributions and income tax expense		458,862	668,287
Charitable donations, sponsorships and grants expense	8	<u>(311,400)</u>	<u>(498,184)</u>
Profit before income tax expense		147,462	170,103
Income tax expense	9	<u>(48,041)</u>	<u>(51,328)</u>
Profit after income tax expense for the year		99,421	118,775
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>99,421</u>	<u>118,775</u>
		Cents	Cents
Basic earnings per share	26	16.57	19.80
Diluted earnings per share	26	16.57	19.80

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

Financial statements (continued)

Tugun & District Finances Limited Statement of financial position As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	303,218	221,208
Trade and other receivables	11	112,481	113,653
Investments	12	570,330	547,992
Total current assets		<u>986,029</u>	<u>882,853</u>
Non-current assets			
Property, plant and equipment	13	207,513	239,244
Right-of-use assets	14	461,973	526,356
Intangible assets	15	184,625	229,707
Deferred tax assets	9	4,925	-
Total non-current assets		<u>859,036</u>	<u>995,307</u>
Total assets		<u>1,845,065</u>	<u>1,878,160</u>
Liabilities			
Current liabilities			
Trade and other payables	16	38,197	52,017
Lease liabilities	17	90,936	88,287
Current tax liabilities	9	26,870	9,268
Total current liabilities		<u>156,003</u>	<u>149,572</u>
Non-current liabilities			
Trade and other payables	16	-	14,589
Lease liabilities	17	482,218	533,167
Deferred tax liabilities	9	-	2,655
Provisions		17,858	16,612
Total non-current liabilities		<u>500,076</u>	<u>567,023</u>
Total liabilities		<u>656,079</u>	<u>716,595</u>
Net assets		<u>1,188,986</u>	<u>1,161,565</u>
Equity			
Issued capital	18	600,000	600,000
Retained earnings		<u>588,986</u>	<u>561,565</u>
Total equity		<u>1,188,986</u>	<u>1,161,565</u>

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

Financial statements (continued)

Tugun & District Finances 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		600,000	526,790	1,126,790
Profit after income tax expense		-	118,775	118,775
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	118,775	118,775
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(84,000)	(84,000)
Balance at 30 June 2025		<u>600,000</u>	<u>561,565</u>	<u>1,161,565</u>
Balance at 1 July 2025		600,000	561,565	1,161,565
Profit after income tax expense		-	99,421	99,421
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	99,421	99,421
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(72,000)	(72,000)
Balance at 30 June 2026		<u>600,000</u>	<u>588,986</u>	<u>1,188,986</u>

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

Financial statements (continued)

Tugun & District Finances 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)		1,942,606	2,025,228
Payments to suppliers and employees (inclusive of GST)		(1,654,310)	(1,638,106)
Interest received		33,083	38,153
Income taxes paid		(38,019)	(3,456)
Net cash provided by operating activities	25	283,360	421,819
Cash flows from investing activities			
Investment in term deposits		(22,338)	(24,765)
Payments for property, plant and equipment		(2,479)	(91,391)
Payments for intangible assets		(13,263)	(13,263)
Net cash used in investing activities		(38,080)	(129,419)
Cash flows from financing activities			
Interest and other finance costs paid		(42,970)	(46,253)
Dividends paid	20	(72,000)	(84,000)
Repayment of lease liabilities		(48,300)	(42,359)
Net cash used in financing activities		(163,270)	(172,612)
Net increase in cash and cash equivalents		82,010	119,788
Cash and cash equivalents at the beginning of the financial year		221,208	101,420
Cash and cash equivalents at the end of the financial year	10	303,218	221,208

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 Tugun & District Finances Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office

Occulus Accounting Pty Ltd, 39 Wharf Street, Tweed Heads South NSW

Principal place of business

Shop 1 to 3, 482 Golden Four Drive, Tugun QLD.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. 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.

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.

Notes to the financial statements (continued)

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

Allowance for expected credit losses on trade and other receivables

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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.

Estimates and assumptions

Estimation of useful lives of assets

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.

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.

Notes to the financial statements (continued)

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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 February 2028.

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 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. Restatement of comparatives

Reclassification of investment account

During the year, the directors reviewed the classification of financial assets under AASB 107 Statement of Cash Flows and AASB 9 Financial Instruments. The Sandhurst Managed Funds account, previously classified as cash and cash equivalents, has been reclassified as a current investment measurement at fair value through profit or loss. The revised classification better reflects the investment nature of the fund and its exposure to changes in market value.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$547,992 at 30 June 2025.
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

Notes to the financial statements (continued)

Note 6. Restatement of comparatives (continued)

The change in classification had no impact on the company's net profit or net asset position.

Note 7. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	1,581,471	1,630,446
Fee income	59,059	65,134
Commission income	128,953	122,890
	<u>1,769,483</u>	<u>1,818,470</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:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

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.

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

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 8. Expenses

Employee benefits expense

	2026	2025
	\$	\$
Wages and salaries	627,526	558,851
Superannuation contributions	101,475	62,225
Expenses related to long service leave	3,056	(6,537)
Other expenses	90,824	95,790
	<u>822,881</u>	<u>710,329</u>

Accounting policy for seconded employee benefits

The company seconded 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.

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	30,092	28,377
Plant and equipment	4,118	3,939
Motor vehicles	-	5,539
	<u>34,210</u>	<u>37,855</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>64,383</u>	<u>64,384</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,211	2,404
Franchise renewal fee	11,053	12,018
Rights to revenue share	31,818	31,818
	<u>45,082</u>	<u>46,240</u>
	<u>143,675</u>	<u>148,479</u>

Finance costs

	2026 \$	2025 \$
Lease interest expense	<u>44,216</u>	<u>47,412</u>

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	293,218	316,366
Contribution to the Community Enterprise Foundation™	18,182	181,818
	<u>311,400</u>	<u>498,184</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 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.

Community Enterprise Foundation™ contributions

	2026 \$
<i>Disaggregation of CEF funds</i>	
Contributions paid in	<u>18,182</u>

Notes to the financial statements (continued)

Note 9. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	55,621	54,355
Movement in deferred tax	(7,580)	(3,027)
Under/over adjustment	-	-
Aggregate income tax expense	<u>48,041</u>	<u>51,328</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>147,462</u>	<u>170,103</u>
Tax at the statutory tax rate of 25%	36,866	42,526
Tax effect of:		
Non-deductible expenses	<u>11,175</u>	<u>8,802</u>
Income tax expense	<u>48,041</u>	<u>51,328</u>
	2026 \$	2025 \$
<i>Deferred tax attributable to:</i>		
Expense accruals	-	576
Provision for lease make good	4,464	4,153
Lease liabilities	143,289	155,363
Property, plant and equipment	(25,797)	(29,833)
Income accruals	(1,639)	(1,426)
Right-of-use assets	(115,493)	(131,589)
Tax losses	101	101
Deferred tax liability	<u>4,925</u>	<u>(2,655)</u>
	2026 \$	2025 \$
Provision for income tax	<u>26,870</u>	<u>9,268</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 10. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	303,218	221,208

Note 11. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	91,379	83,681
GST receivable	4,015	3,084
Accrued income	6,558	5,703
Prepayments	10,529	21,185
	21,102	29,972
	112,481	113,653
	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	112,481	113,653
Less net GST receivable from the ATO	(4,015)	(3,084)
Less prepayments	(10,529)	(21,185)
	97,937	89,384

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 12. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Managed funds	570,330	547,992

Notes to the financial statements (continued)

Note 13. Property, plant and equipment

	2026 \$	2025 \$
Leasehold improvements - at cost	411,143	404,550
Less: Accumulated depreciation	(220,081)	(189,990)
	<u>191,062</u>	<u>214,560</u>
Plant and equipment - at cost	163,353	160,874
Less: Accumulated depreciation	(146,902)	(142,784)
	<u>16,451</u>	<u>18,090</u>
Motor vehicles - at cost	30,817	30,817
Less: Accumulated depreciation	(30,817)	(30,817)
	<u>-</u>	<u>-</u>
Work in progress - at cost	-	6,594
	<u>207,513</u>	<u>239,244</u>

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

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Work in progress \$	Total \$
Balance at 1 July 2024	158,673	21,496	5,539	-	185,708
Additions	84,264	533	-	6,594	91,391
Depreciation	(28,377)	(3,939)	(5,539)	-	(37,855)
Balance at 30 June 2025	214,560	18,090	-	6,594	239,244
Additions	6,594	2,479	-	-	9,073
Transfers in/(out)	-	-	-	(6,594)	(6,594)
Depreciation	(30,092)	(4,118)	-	-	(34,210)
Balance at 30 June 2026	<u>191,062</u>	<u>16,451</u>	<u>-</u>	<u>-</u>	<u>207,513</u>

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 and diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5 to 20 years
Plant and equipment	3 to 10 years
Motor vehicles	5 years

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

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

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

Notes to the financial statements (continued)

Note 14. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	912,621	912,621
Less: Accumulated depreciation	(450,648)	(386,265)
	<u>461,973</u>	<u>526,356</u>

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	590,740
Depreciation expense	(64,384)
Balance at 30 June 2025	526,356
Depreciation expense	(64,383)
Balance at 30 June 2026	<u>461,973</u>

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 17 for more information on lease arrangements.

Note 15. Intangible assets

	2026 \$	2025 \$
Rights to revenue share	350,000	350,000
Less: Accumulated amortisation	(186,375)	(154,557)
	<u>163,625</u>	<u>195,443</u>
Franchise fee	105,112	105,112
Less: Accumulated amortisation	(101,612)	(99,401)
	<u>3,500</u>	<u>5,711</u>
Franchise renewal fee	225,445	225,445
Less: Accumulated amortisation	(207,945)	(196,892)
	<u>17,500</u>	<u>28,553</u>
	<u>184,625</u>	<u>229,707</u>

Notes to the financial statements (continued)

Note 15. Intangible assets (continued)

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

	Right to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2024	227,261	8,115	40,571	275,947
Amortisation expense	(31,818)	(2,404)	(12,018)	(46,240)
Balance at 30 June 2025	195,443	5,711	28,553	229,707
Amortisation expense	(31,818)	(2,211)	(11,053)	(45,082)
Balance at 30 June 2026	<u>163,625</u>	<u>3,500</u>	<u>17,500</u>	<u>184,625</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.

Rights to revenue share acquired are recognised at cost at the date of acquisition and are assessed as having a useful life and are amortised over their useful life.

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)	February 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2028
Rights to revenue share	Straight-line	11 years	June 2032

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

Note 16. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	10,633	25,504
Other payables and accruals	<u>27,564</u>	<u>26,513</u>
	<u>38,197</u>	<u>52,017</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>-</u>	<u>14,589</u>
	<u>38,197</u>	<u>66,606</u>

Notes to the financial statements (continued)

Note 17. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	90,936	88,287
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	482,218	533,167
	<u>573,154</u>	<u>621,454</u>
<i>Reconciliation of lease liabilities</i>		
	2026 \$	2025 \$
Opening balance	621,454	663,813
Lease interest expense	42,970	46,253
Lease payments - total cash outflow	(91,270)	(88,612)
	<u>573,154</u>	<u>621,454</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Tugun Branch	7.5%	5 years	1 x 5 years	Yes	August 2033

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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

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

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

Notes to the financial statements (continued)

Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 20. Dividends

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)	42,000	42,000
Bonus fully franked dividend of 5 cents per share (2025: 7 cents)	30,000	42,000
	<u>72,000</u>	<u>84,000</u>

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	319,779	344,323
Franking credits (debits) arising from income taxes paid (refunded)	38,019	3,456
Franking debits from the payment of franked distributions	(24,000)	(28,000)
	<u>333,798</u>	<u>319,779</u>

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	333,798	319,779
Franking credits (debits) that will arise from payment (refund) of income tax	26,870	9,268
Franking credits available for future reporting periods	<u>360,668</u>	<u>329,047</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.

Notes to the financial statements (continued)

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, financial assets, 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.

	2026 \$	2025 \$
Financial assets		
Trade and other receivables excluding prepayments (note 11)	97,937	89,384
Cash and cash equivalents (note 10)	303,218	221,208
Investments	570,330	547,992
	<u>971,485</u>	<u>858,584</u>
Financial liabilities		
Trade and other payables (note 16)	38,197	66,606
Lease liabilities (note 17)	573,154	621,454
	<u>611,351</u>	<u>688,060</u>

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 at amortised cost.

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

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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

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

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$303,218 at 30 June 2026 (2025: \$221,208).

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026				
Trade and other payables	38,197	-	-	38,197
Lease liabilities	94,008	405,091	240,030	739,129
Total non-derivatives	132,205	405,091	240,030	777,326
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	52,017	14,589	-	66,606
Lease liabilities	91,270	393,293	345,836	830,399
Total non-derivatives	143,287	407,882	345,836	897,005

Notes to the financial statements (continued)

Note 22. Key management personnel disclosures

The following persons were directors of Tugun & District Finances Limited during the financial year:

Benjamin John Crompton	Christopher Capra
Cameron Kenneth Window	Pamela Pointon
Robert William Marshall	Larissa Rose
Norbert Anthony Benton	Georgina Louise Tomlinson
Sean David Powell	Peter Anthony Dirkx
Seamus Miller	

Compensation

Key management personnel compensation comprised the following.

	2026 \$	2025 \$
Short-term employee benefits	35,000	20,000

Note 23. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
Contractor/Consultant payments made to a director's spouse	109,251	74,577
The company, through the Community Enterprise Foundation, provided funding to Currumbin RSL (associated with the Veteran Support Centre), an organisation associated with one of its directors. The total benefit provided was	25,000	-
The Company, through the Community Enterprise Foundation, provided financial support to the Veteran Support Centre. The total benefit provided was	4,000	-
The Company, through the Community Enterprise Foundation, provided funding to the Palm Beach Currumbin State High School Parents and Friends Association. The total benefits provided was	22,067	-

Notes to the financial statements (continued)

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 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,185	7,930
<i>Other services</i>		
Taxation advice and tax compliance services	1,149	1,124
General advisory services	3,715	3,835
Share registry services	5,328	4,823
	10,192	9,782
	18,377	17,712

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	99,421	118,775
Adjustments for:		
Depreciation and amortisation	143,675	148,479
Lease liabilities interest	42,970	46,253
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,172	39,230
Decrease in income tax refund due	-	41,631
Increase in deferred tax assets	(4,925)	-
Increase/(decrease) in trade and other payables	(15,146)	20,051
Increase in provision for income tax	17,602	9,268
Decrease in deferred tax liabilities	(2,655)	(3,027)
Increase in other provisions	1,246	1,159
Net cash provided by operating activities	283,360	421,819

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	99,421	118,775
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	600,000	600,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	600,000	600,000

Notes to the financial statements (continued)

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	16.57	19.80
Diluted earnings per share	16.57	19.80

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 (2025: Nil).

Note 29. Events after the reporting period

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

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

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

Directors' declaration

30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Robert Marshall
Company Secretary

29 September 2026

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the members of Tugun & District Finances Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Tugun & District Finances 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 Tugun & District Finances Limited, which comprises the:

- Statement of financial position as at 30 June 2026
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies, and the
- Directors' declaration.

Basis for opinion

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

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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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.

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.



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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 it 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. Misstatement 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: <http://www.auasb.gov.au/home.aspx>. 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: 29 September 2026

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

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