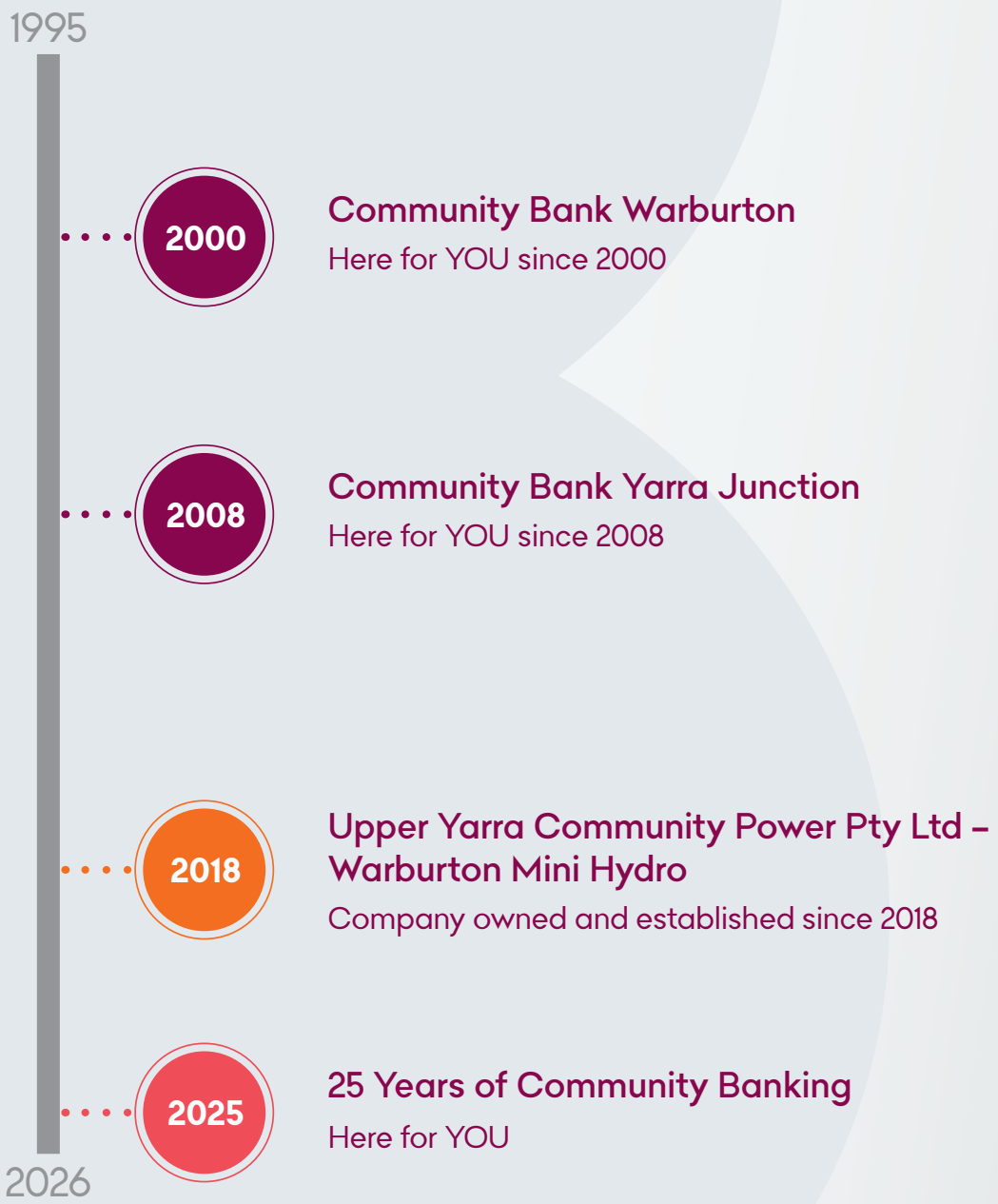
Annual Report 2026

Upper Yarra Community Enterprise Ltd

Community Bank
Warburton and Yarra Junction

ABN 54 090 252 627

Investing Community Assets to Build Community



* Community Grants Rounds – UYCE is committed to holding a minimum of one per financial year. For news and updates follow us on Facebook or check this website. All applications are online.

Upper Yarra Community Enterprise Ltd

ABN 54 090 252 627



Proud Supporters of Warburton Bike Park

Image by Travis Heenan

Supporting YOUR community

Community Bank · Warburton and Yarra Junction

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Chairman's report

For year ending 30 June 2026



Our Mission

Investing Community Assets to Build Community

Welcome to the Upper Yarra Community Enterprise Ltd (UYCE) Annual Report for the year ending 30 June 2026.

This report represents a consolidated set of accounts for the operations of the Company which incorporates UYCE and Upper Yarra Community Power Limited (UYCP) as a wholly owned subsidiary.

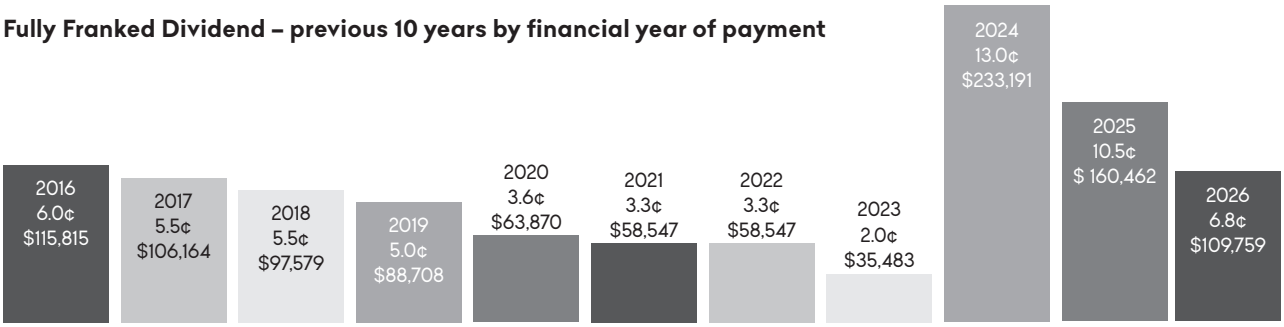
Financial Performance

Our financial year profit before tax and Community Investments was $347,323. This was a decrease from the previous year result of $545,049. This was a particularly good outcome given that we paid out our commitment to the Yarra Ranges Council for the Mountain Bike project during the year.

We have again maintained our objective of building a strong balance sheet. As at the end of the financial year our total assets were $4.3 million, comprising over $1.3 million in cash or cash equivalents and investments. This is in addition to holding a $238k balance in the Community Enterprise Foundation Tax Concession Charity Fund.

The Shareholder Dividend paid in November 2025 was 6.8 cents per share fully franked, down from 10.5 cents the previous year.

Fully Franked Dividend – previous 10 years by financial year of payment



*Share Dividend Announcements occur in September for the previous Financial Year.

Staff and Board

Director Michael Hibbert retired at the 2025 Annual General Meeting, we have had no other changes to Directors over the year and have two vacant positions on the Board, which we are actively moving to fill.

I would again like to thank Kristy Sumner (Community Company Manager) for her commitment and resilience in conjunction with her wonderful team. Good results do not happen without the absolute support and dedication from the staff.

I also take this opportunity to thank my fellow Board members for volunteering their time, their professionalism and their ongoing commitment. Corporate staff have continued to focus on delivery of the company strategic plan and are to be congratulated on their collective achievements over the past year.

Community Investment

During 2025/26 Upper Yarra Community Enterprise invested a total of $458k in local communities as sponsorships, grants, scholarships, donations ($199k), mountain bike pledge ($150k) and dividend payment of ($109k).

Through the Community Investment Program alone we have now invested well over $5.8 million. In addition to this we have returned over $2.1 million to our shareholders in dividends.

We are also a proud local employer who uses local suppliers and service providers where possible.

A full list of recipients that directly benefitted from our Community Investment Program for 2025/26 are listed later in this report. (Refer Community Investment page 8 / Table 1)

Warburton Mini Hydro (Upper Yarra Community Power Pty Ltd

UYCE continues to support the Ythan Creek Power Station Mini Hydro located on site at the Warburton Golf and Sports Club. This is managed by UYCP Pty Ltd, as a wholly owned subsidiary of UYCE. I would take this opportunity to thank the Volunteer Directors, Luke Whiteside (Chair), Nick Killey, Neil Jorgensen and Garry Lewis for their continued contribution throughout the year.

Upper Yarra Community Power

Due to the requirements to consolidate the operations of UYCE and UYCP into one set of accounts, and to ensure transparency this Annual Report includes a statement covering the financial performance of each individual organisation for the 2025/26 period (Refer page 53).

The Hydro again performed well below expectation for the financial year running at an operating loss of $38,218 and a cash deficit of $19,529. To ensure UYCP remains cash positive UYCE has underwritten the cash deficit, it is anticipated that a similar commitment will be made by UYCE for the 26/27 financial year. Total equity (Cash and loan) held by UYCE in UYCP currently sits at $706k.

This project relies on favourable weather conditions (rainfall) which have been well below average throughout 2024, 2025, and 2026. The feed in tariff (FIT) payable to UYCP for the power generated, is also an all-important factor in the performance outcome. The FIT has reduced substantially in recent years. Throughout the same period the value of the renewable energy certificate generated by the Hydro has also reduced significantly.

The performance and sustainability of the Hydro continues to be a focus for both Boards.

Warburton Waterwheel Visitor Information Centre

The lease of the Waterwheel expired in May 2026. Over the year we have been working with an enthusiastic group of community representatives to support them in taking over management of the centre, this was successfully achieved by the end of the 2025/26 financial year.

The Waterwheel is the official site for tourism promotion in the Upper Yarra / Warburton Valley and provides visitor information, an Art Gallery and showcases the work of local artists and artisans through a retail space.

I would like to acknowledge the volunteers who are the lifeblood of the success of the Waterwheel. I would also like to acknowledge the contribution of the Board consisting of Michael Hibbert (Chair), Peta Godenzi, Alison Fitzgerald and Rodney McKail. We take this opportunity to wish the new group every success with the future of this amazing community asset.

The Road Ahead

Budget predictions show a similar financial outcome in 2026/27 to the 2025/26 result. Bendigo Bank is undertaking a holistic review of the Community Bank model over the next 12 to 18 months and it will be important for us to engage in this process.

Additionally strategic reviews will need to be undertaken on the future of the Hydro and the viability of the Community Bank Warburton Branch. The Hydro is unlikely to be sustainable moving forward. The number of customer transactions at Community Bank Warburton continues to reduce as online banking grows, creating a challenge into the future.

In closing, I would again like to thank all our customers and shareholders for their continuing support. Reminding all that the Community Bank model relies on support from our local community. As Shareholders, you too play an important ambassador role in the model, so please do take full advantage of the Community Bank banking services; and encourage family, friends, and others, to do the same. The ongoing success of our Community Bank model relies on ongoing local support and participation.

Best wishes to all.



Rodney McKail
Chair and Managing Director
Upper Yarra Community Enterprise Ltd

Manager's report

For year ending 30 June 2026



As of 30 June 2026, Community Bank Warburton and Community Bank Yarra Junction District total business footings stand at $278.6m, showing an increase of $1.056m from the previous financial year. Total is made up of $89.69m in lending, $198.29m in deposits with an additional $376k sitting in other business.

This year brought some staffing changes across both branches and our corporate office, with our long-term staff member Ros retiring in July after 25 years of working in our Branches. We thank Ros for her dedication, passion and hard work over this period. Ros will be missed by the Board, Staff and Customers and we wish her all the best for retirement. We welcomed our new Customer Service officer Charli in September. Our Branch Operations Manager Bec left for parental leave in March, seeing our Assistant Branch Manager Emily take on the Branch Manager Role across both Community Bank Warburton and Community Bank Yarra Junction District. We also welcomed new Customer Relationship Manager Carly to our team in April. As well as the Branch staff changes, we had Tracey join our corporate team in the Senior Administration Role in July.

At the Yarra Ranges Region Branch Awards Night in October, we were lucky enough to see both our Branches along with individual staff recognised for their contributions to not only our business but Bendigo Bank as a whole. Community Bank Yarra Junction District Branch taking out Branch of the Year, Community Bank Yarra Junction District & Community Bank Warburton joint winners in Operational Excellence and our Branch Manager Emily awarded with Bendigo Bank Values award.

All of this was an amazing achievement and a testament to the professionalism and capabilities of our wonderful staff. On behalf of our Board, Shareholders, Customers we thank you for your ongoing care and commitment.

In the 2025/2026 FY we were again very fortunate to be able to give back $349k in Grants, Donations, Scholarships & Support Programs into the Upper Yarra Community. This was inclusive of the $150k pledge to the Warburton Mountain Bike Destination Project. Upper Yarra Community Enterprise Ltd has now exceeded over $5.8million in Community Contributions over our 26 years.

Thank you to our Upper Yarra Community Enterprise Ltd Board members for their continued dedication and proactive approach to ensuing the sustainability of our company.

Personally, I would like to thank our Chair, Rodney McKail again for his continued guidance and invaluable mentoring to myself and support to our Board and Staff. Rod goes above and beyond to ensure the success of our business, and it deserves to be recognised and applauded.

Thank you to all our current Community Bank Shareholders, Customers and Advocates for their ongoing engagement and continued support. Allowing us to help with all your banking, continues to allow us to contribute to a sustainable local community.

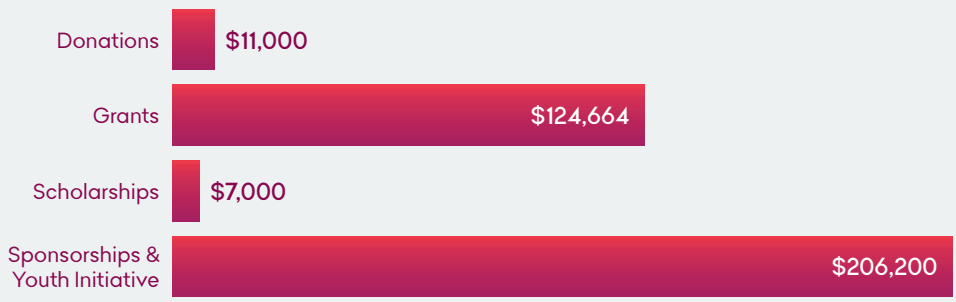
Kind Regards,

Kristy Sumner
Community Company Manager
Community Bank Warburton and Yarra Junction & District

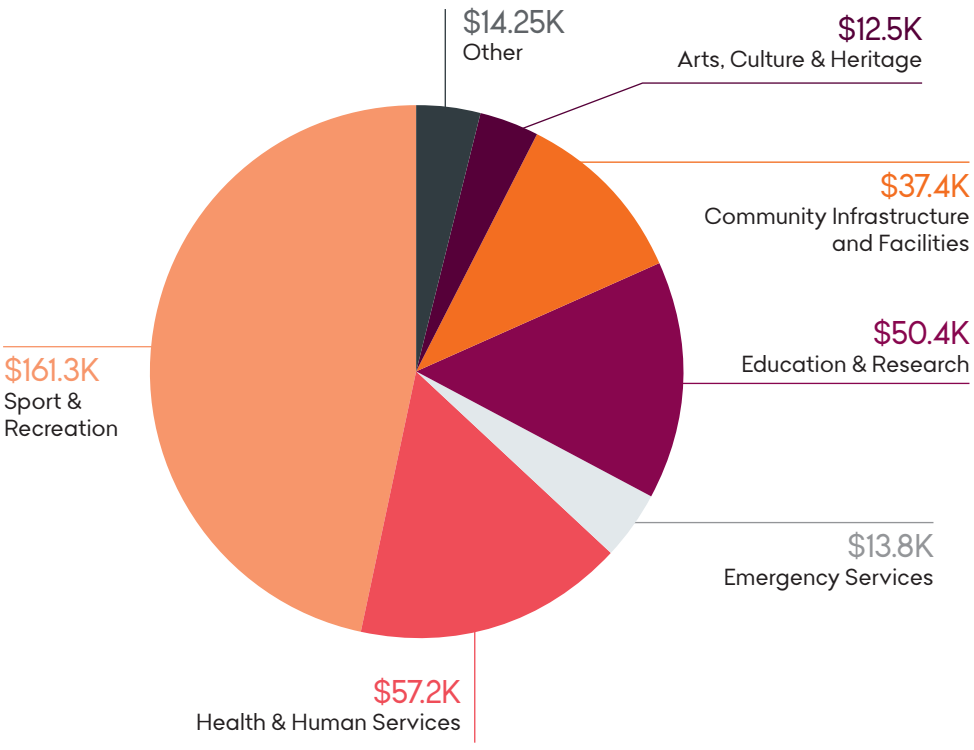
Community investment

This year saw the following organisations (or individuals) benefit from our Community Investment program through sponsorship, grant, scholarship or donation; and either direct from UYCE or our UYCE Community Enterprise Foundation Tax Concession Charity Fund (TCC) the Philanthropic arm of the Bendigo and Adelaide Bank Group. The balance of our CEF TCC account at year end was $238,579.07 which is available for distribution in future years.

Breakdown by Type



Breakdown by Category



COMMUNITY INVESTMENT

More than **$5.8 million** since 2000

$348,864
Community investments in 2025-26

54
Projects supported 2025-26

40
Recipient groups supported in 2025-26

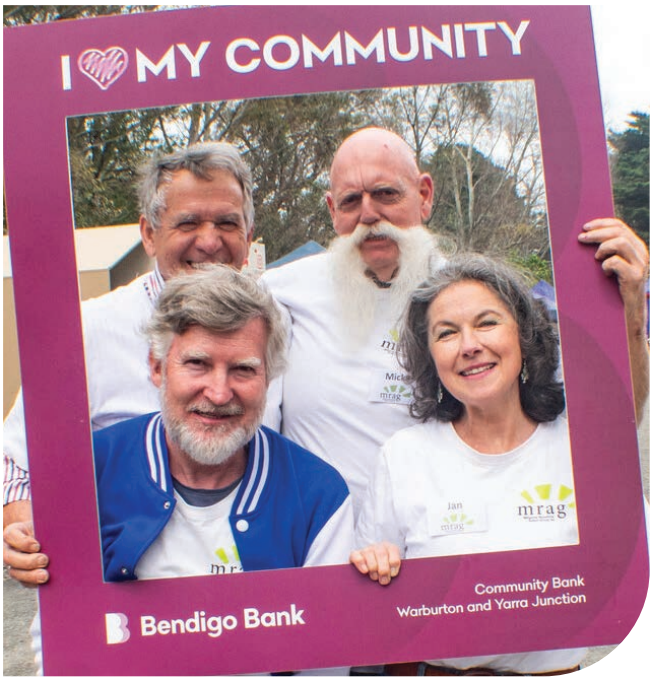
$238,579
Balance of CEF TCC Account for future distribution





Table 1 - Community Contributions 2025/26 by Recipient		
Recipient	**Project**	**Amount**
Bendigo Bank Community Foundation	2026 Victorian Bushfire Appeal	$10,000
Warburton Bowls Club	Sporting Club Sponsorship	$600
Yarra Junction Cricket Club Inc	Sporting Club Sponsorship	$600
Yarra Junction Bowls Club	Sporting Club Sponsorship	$600
Warburton Tennis Club	Sporting Club Sponsorship	$600
Yarra Valley Soccer Club	Sporting Club Sponsorship	$1,000
Powelltown Football Netball Club	Sporting Club Sponsorship	$1,000
Upper Yarra Netball Association	Sporting Club Sponsorship	$1,000
Yarra Junction Football & Netball Club	Sporting Club Sponsorship	$1,000
Warburton/Millgrove FNC	Sporting Club Sponsorship	$1,000
Wesburn Junior Football Club	Sporting Club Sponsorship	$1,000
Upper Yarra Basketball Association Inc.	Sporting Club Sponsorship	$1,000
Warburton Golf and Sporting Club Incorporated	Sporting Club Sponsorship	$600
Yarra Ranges Shire Council	Warburton Bike Park Sponsorship	$150,000
Yarra Junction Eagles Junior Football Club	Sporting Club Sponsorship	$600
Yarra Junction Primary School	School Support Program	$5,000
Wesburn Primary School	School Support Program	$3,050
Yarra Junction Primary School	School Transport Program	$11,300
Gladysdale Primary School	School Support Program	$1,650
Wesburn Primary School	School Transport Program	$4,200
Millwarra Primary School	School Support Program	$2,500
Millwarra Primary School	School Transport Program	$2,700
UPPER YARRA SECONDARY COLLEGE	School Support Program	$5,000
UPPER YARRA SECONDARY COLLEGE	School Transport Program	$3,000

Recipient	Project	Amount
Warburton Primary School	School Support Program	$2,800
Warburton Primary School	School Transport Program	$3,400
Warburton Golf & Sporting Club Inc	HLTAID011 Provide First Aid course	$2,400
Upper Yarra Valley Historical Society	Crank Up Woodchop	$3,000
ADRA Community Centre- Redwood	Brushy's Toy Library Expansion for Community	$7,000
WESBURN JUNIOR FOOTBALL CLUB	NEW PLAYING JUMPERS	$4,000
Warburton Valley CEDA	WVCEDA Networking Forums	$1,250
Little Yarra CFA	Stronger Together – Little Yarra CFA Community Preparedness Project	$3,864.30
Yarra Junction Community Group Incorporated	Yarra Junction Good Neighbour Month	$5,000
Yarra Ranges Film Society	Warburton Film Festival	$3,500
The MISFIT Project	MISFIT HQ - Warburton Youth Hub	$7,500
Benwerren	Benwerren Upgrade for Women and Children in Need - Dining Room Extension and Improved Accessibility	$50,000
Warburton-Millgrove Football Netball Club	Community Defibrillator Replacement Project	$3,000
Warby Weapons	Uniforms and Awards Night	$1,000
Reefton Fire Brigade	Automatic Roller Door, building in safety for firefighters	$3,000
Yarra Junction Fire Brigade	Security upgrade	$5,650
Phoenix Riding Club Inc	Phoenix Riding Club Dressage Day	$250
Warburton Bowls Club	Seating Upgrade	$1,250
Warburton Advancement League Incorporated	Community Christmas Carols Event	$3,000
Yarra Valley Bee Group	Purchase of Varroa Controller	$6,000
Yarra Ranges Kindergartens Inc.	All-Weather Outdoor Learning Space for Millgrove Preschool	$6,000
Millgrove Residents Action Group Inc	Millgrove Community Open Day	$2,000





Recipient	Project	Amount
Warburton Advancement League Incorporated	Mobile Community Defibrillator Units	$3,000
Yarra Ranges Enterprise Centres Ltd	Creation of a Workshop Space for Community Use	$3,000
2026 Community Bank Warburton and Yarra Junction University & TAFE Youth Scholarship Program (CEF)(U)(T)	Monte Darlison	$1,000
	Thomas Reuss	$1,500
	Anna Wilson	$2,000
	Lila Kelly	$2,500
Youth Initiative Award 2025/ 2026	Youth Initiative award - Indigo Janssen	$1,000
Redwood Community Centre- Redwood Xmas Appeal	ADRA Com Centre Redwood Xmas Appeal	$1,000
		$348,864.30



Upper Yarra Community Enterprise Ltd

Ian De La Rue OAM Youth Initiatives Program 2025/26

Our commitment to investing in our young people continued.

Initiative Award 2025

To recognise, acknowledge and reward a young person under 25 who makes a positive contribution to their community. First Awarded in 2012.



Awarded to: **Indigo Jannsen**

Scholarships 2026

To help young people in the Upper Yarra pursue and realise their academic dreams through 1st Year Tertiary support at University or TAFE. Awarded to recipients: $7000

Awarded to for 1st Year Tertiary Studies:

Monte Darlison
Thomas Reuss
Anna Wilson
Lila Kelly



Emily with Anna Wilson



Jess with Thomas Reuss



Kate with Monte Darlison



Lila Kelly and Nicole

Bendigo and Adelaide Bank report

For year ending 30 June 2026

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

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council

CBNC: Supporting Local Leadership and National Strategy

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

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

Supporting BEN's 2030 Strategy

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

Gathering in our nation's capital

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

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

Social enterprise leadership

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

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

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

New 'Community Link' feature returns profits to communities

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

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

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

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

Directors' report

30 June 2026

The Directors present their report, together with the financial statements of the Group, being Upper Yarra Community Enterprise Ltd (the Group) and its controlled entities, for the financial year ended 30 June 2026.

Information on Directors

The following persons were Directors of Upper Yarra Community Enterprise Ltd during the financial year.

Rodney McKail
Title: Chair/Non-Executive Director
Qualifications:
Experience & Expertise: Rodney was employed in Local Government for over 40 years. He worked at the Upper Yarra Shire and Lilydale Shire (now Yarra Ranges) and Knox City Council, predominantly in the area of Governance. He is now retired, although took on the Managing Director role with UYCE in 2019. In October 2024, Rodney transitioned from his role as Managing Director to Non-Executive Director, while continuing to serve as Chair.

Sally Brennan
Title: Deputy Chair/Non-Executive Director
Qualifications: Master of Education, Bachelor of Adult Learning and Development and an Advanced Diploma of Community Development. Sally is also a Graduate of the Australian Institute of Company Directors. (GAICD)
Experience & Expertise: Sally continues to work in adult education, specialising in workforce development, instructional design and advocacy. She remains as always, a keen and committed member of the Upper Yarra community and has a demonstrated longstanding commitment in excess of 25 years.

Elizabeth Fox
Title: Non-Executive Director
Qualifications: BBSc, Post Grad Diploma Psych, Post Grad Diploma Teaching, Secondary MA Special Ed
Experience & Expertise: After co-ordinating the Learning Enhancement Department at Tintern Grammar for the past 15 years and working at Upper Yarra Secondary College for 18 years Elizabeth has recently retired with her sights set on new endeavours in the future.

Neil Jorgensen
Title: Non-Executive Director
Qualifications: Bachelor of Education and Diploma of Teaching.
Experience & Expertise: Neil was employed by the Victorian Department of Education for 43 years. During this time he undertook a variety of roles including classroom teaching and consultancy work. The last 25 years of his career were spent as Principal in a number of schools.

Garry Michael Lewis
Title: Non-Executive Director
Qualifications: Bachelor of Education and Diploma of Primary Teaching.
Experience & Expertise: Garry recently retired after serving 37 years with the Department of Education, his most recent role being a Primary School Principal.

Richard Harding Butler
Title: Non-Executive Director
Qualifications: Degree in Interior Design
Experience & Expertise: Richard has been a small business owner and was a founding director of office equipment franchise Office National. Richard has also served on a number of Not-For-Profit boards and local community organisations. Currently he is part of a Tinyhouse building company with a focus on providing cheap social housing.

Information on Directors (continued)

Gordon Stewart Buller
Title: Non-Executive Director
Qualifications:
Experience & Expertise: A Warburton resident who has owned and operated businesses in the Yarra Valley since 1962. Currently semi-retired from Yarra Ranges Gas Heat and Cool and involved as a volunteer in many local community groups. Gordon has been recognised and awarded the Mayor's Lifetime Achievement Award as part of the Australia Day Civic Awards.

Louise Anne Hogan
Title: Non-Executive Director
Qualifications: BSc, MBA
Experience & Expertise: Louise is a corporate executive, with over three decades of enterprise experience across strategy, marketing, business development, M&A, people and culture. She is a graduate of the Australian Institute of Company Directors (GAICD).

Directors have been in office since the start of the financial year to the date of the report outside of Michael Norman Hibbert who resigned on 15 December 2025.

No Directors have material interests in contracts or proposed contracts with the Group other than those disclosed in note 28.

Directors' Meetings

Meetings of Directors

During the financial year, 11 meetings of Directors were held along with 2 audit and risk committee meetings.
Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended	Number eligible to attend	Input
Rodney McKail	11	11	2	2
Sally Brennan	11	8	-	-
Elizabeth Fox	11	10	-	-
Neil Jorgensen	11	11	-	-
Garry Michael Lewis	11	10	-	-
Richard Harding Butler	11	11	2	2
Michael Norman Hibbert	5	3	-	-
Gordon Stewart Buller	11	11	-	-
Louise Anne Hogan	11	11	2	2

Meetings of Directors (continued)

Directors' Benefits

Other than those stated in note 28, no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Group, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Directors' Interests

All amounts below are for fully paid ordinary shares.

Director	Number of shares 2025	Changes during the year	Number of shares 2026
Rodney McKail	4,850	1,000	5,850
Sally Brennan	1,000	-	1,000
Elizabeth Fox	1,300	-	1,300
Neil Jorgensen	1,500	-	1,500
Garry Michael Lewis	-	-	-
Richard Harding Butler	6,000	-	6,000
Michael Norman Hibbert	3,000	-	3,000
Gordon Stewart Buller	43,650	-	43,650
Louise Anne Hogan	-	-	-

Principal activities

The principal activities of Upper Yarra Community Enterprise Ltd during the financial year was providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Operating results

The profit of the Group after providing for income tax amounted to $104,264 (2025: $226,932).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of $109,759 (6.8 cents per share) was paid during the year.

Options

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

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

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

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of Directors and Officers

The Group has indemnified all directors and the managers in respect of liabilities to other persons (other than the Group or related body corporate) that may arise from their position as directors or managers of the Group except where the liability arises out of conduct involving the lack of good faith.
Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Group has not provided any insurance for an auditor of the Group or a related body corporate.

Proceedings on behalf of the Group

No person has applied for leave of court.

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

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Group are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 29 to the accounts. The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Signed in accordance with a resolution of the Board of Directors.

Rodney McKail
Chair

Dated: 29 September 2026

Auditor's independence declaration

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Upper Yarra Community Enterprise Ltd

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

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.





RSD Audit

Mahesh Silva
Associate Director

29 September 2026

RSD Audit Pty Ltd | ABN: 85 619 186 908
(03) 4435 3550 | 41A Breen St, Bendigo VIC 3550

www.rsdaudit.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Consolidated 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.a	2,037,312	2,104,953
Finance income	8	28,915	35,950
Fair value increase		-	27,928
Other revenue	7.b	27,264	23,287
Total income		2,093,491	2,192,118
Employee benefit expenses	9	(1,188,733)	(1,123,594)
Administration and general costs		(163,293)	(156,664)
Depreciation expenses	10	(119,556)	(120,342)
Amortisation expenses	10	(28,378)	(27,541)
Finance costs	8	(27,194)	(28,558)
IT expenses		(79,829)	(75,880)
Cost of goods sold		(611)	(18,590)
Occupancy expenses		(75,584)	(84,558)
ATM expenses		(12,068)	(11,342)
Fair value decreases		(50,922)	-
Total expense		(1,746,168)	(1,647,069)
Profit before charitable donations and sponsorships		347,323	545,049
Charitable donations and sponsorships	11	(215,201)	(238,356)
Profit before income tax		132,122	306,693
Income tax expense	12	(27,858)	(79,761)
Profit for the year		104,264	226,932
Other Comprehensive Income		-	81,830
Total comprehensive income for the year		104,264	308,762

Earnings per share (¢)	**Note**	**2026**	**2025**
Basic and diluted earnings per share	31	6	14

The accompanying notes form part of these financial statements.

Consolidated statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	13	371,680	200,617
Trade and other receivables	14	189,737	175,441
Other financial assets	15	953,921	1,105,011
Current tax receivable	20	58,972	22,750
Other assets	16	14,048	9,070
Inventory		-	611
Total Current assets		1,588,358	1,513,500
Non-current assets			
Property, plant and equipment	17	1,960,619	2,040,806
Right-of-use assets	18	369,638	408,881
Intangible assets	19	101,690	130,068
Total Non-current assets		2,431,947	2,579,755
Total Assets		4,020,305	4,093,255
Liabilities			
Current liabilities			
Trade and other payables	21	171,404	134,427
Employee benefits	9.b	162,049	177,712
Lease liabilities	22	30,391	26,677
Total Current liabilities		363,844	338,816
Non-current liabilities			
Trade and other payables	21	62,433	93,649
Deferred tax liabilities	20	69,674	101,546
Employee benefits	9.b	22,542	21,546
Lease liabilities	22	449,128	479,519
Total Non-current liabilities		603,777	696,260
Total Liabilities		967,621	1,035,076
Net Assets		3,052,684	3,058,179
Equity			
Issued Capital	23	889,520	889,520
Retained earnings	25	1,600,090	1,605,585
Reserves	24	563,074	563,074
Total Equity		3,052,684	3,058,179

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity
For the year ended 30 June 2026

2025	Share Capital	Retained earnings	Reserves	Total equity
	$	$	$	$
Opening balance	889,520	1,548,135	481,244	2,918,899
Profit for the year	-	226,932	-	226,932
Other comprehensive income for the year	-	-	81,830	81,830
Dividends provided for or paid	-	(169,482)	-	(169,482)
Closing balance	889,520	1,605,585	563,074	3,058,179

2026	Share Capital	Retained earnings	Reserves	Total
	$	$	$	$
Opening balance	889,520	1,605,585	563,074	3,058,179
Profit for the year	-	104,264	-	104,264
Other comprehensive income for the year	-	-	-	-
Dividends provided for or paid	-	(109,759)	-	(109,759)
Closing balance	889,520	1,600,090	563,074	3,052,684

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	2026	2025
		$	$
Cash flows from operating activities:			
Receipts from customers		2,035,036	2,346,030
Payments to suppliers and employees		(1,717,375)	(1,876,839)
Dividends received		15,243	14,427
Interest received		28,915	35,950
Interest paid		(27,194)	(28,558)
Income taxes paid or refunded		(95,952)	(65,604)
Net cash flows from operating activities	26	238,673	425,406
Cash flows from investing activities:			
Purchase of intangible asset		(31,216)	(31,217)
Purchase of property, plant and equipment		(488)	(86,348)
Proceeds from sale property, plant and equipment		362	-
Proceeds from sale of investments		115,411	-
Purchase of investments		(15,243)	(53,721)
Net cash used in investing activities		68,826	(171,286)
Cash flows from financing activities:			
Repayment of Leases		(26,677)	(23,241)
Dividends Paid		(109,759)	(169,482)
Net cash used in financing activities		(136,436)	(192,723)
Net increase/(decrease) in cash and cash equivalents		171,063	61,397
Cash and cash equivalents at beginning of year		200,617	139,220
Cash and cash equivalents at end of financial year		371,680	200,617

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2026

1. Introduction

The Group is a for-profit entity, and these financial statements have been prepared in accordance with Australian Accounting Standards - Tier 1, including full compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial report covers Upper Yarra Community Enterprise Ltd and its controlled entities ('the Group'). Upper Yarra Community Enterprise Ltd is a for-profit proprietary Group, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their consolidated financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Further information on the nature of the operations and principal activity of the Group is provided in the directors' report. Information on the Group's related party relationships is provided in Note 28.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

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

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

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

3. Summary of Significant Accounting Policies

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

a. Economic Dependency

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

- Warburton Community Bank
- Yarra Junction Community Bank

The Group 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 on 24 February 2030.

The Group operates as a franchise of Bendigo Bank, using the name “Bendigo Bank” (Upper Yarra Community Enterprise Ltd) and the logo and system of operations of Bendigo Bank. The Group 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 Group 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 Group promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity to bear as long as the Group has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- calculation of Group revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

b. Revenue from contracts with customers

The Group has entered into a franchise agreement with Bendigo Bank. The Group 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 Group. 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 Group's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the Group's right to receive the payment is established.

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the Group's revenue stream is as follows:

3. Summary of Significant Accounting Policies (continued)

b. Revenue from contracts with customers (continued)

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share.	Margin, commission and fee income.	When the Group satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 14 business days of month end.

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

i. Revenue calculation

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

ii. Margin

Margin is arrived at through the following calculation:

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

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

iii. Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Group has fulfilled its performance obligation.
The Group receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the Group, and is a significant judgement area.

iv. Fee income

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

v. 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 Group at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

3. Summary of Significant Accounting Policies (continued)

b. Revenue from contracts with customers (continued)

vi. Ability to Change Financial Return

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

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the Group receives on a particular product or service. The effect of the change on the revenue earned by the Group is entirely dependent on the change.

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

vii. Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

c. Other revenue

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

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

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

d. Employee benefits

i. Short-term Employee Benefits

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

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

ii. Other Long-term Employee Benefits

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

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

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

3. Summary of Significant Accounting Policies (continued)

e. Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these consolidated financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

All controlled entities have the same financial year end as the parent.

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

f. Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are measured at the amounts expected to be recovered from the relevant taxation authority.

g. Deferred tax

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

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

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

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

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

h. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), or when the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Receivables and payable are stated inclusive of GST.

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

3. Summary of Significant Accounting Policies (continued)

i. Cash & Cash Equivalents

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

j. Property, Plant & Equipment

i. Recognition & Measurement

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

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

ii. Subsequent Expenditure

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

iii. Depreciation

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

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Diminishing value	15 years
Plant & equipment	Diminishing value	1 - 20 years

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

k. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

3. Summary of Significant Accounting Policies (continued)

l. Leases

At inception of a contract, the Group assesses whether a lease exists.

i. Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Group has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis.

1) Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

m. Intangible Assets

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

i. Recognition & Measurement

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

ii. Subsequent Expenditure

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

iii. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Asset Class	Method	Useful Life
Franchise fee	Straight line	5 years

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

n. Financial instruments

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

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

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

3. Summary of Significant Accounting Policies (continued)

n. Financial instruments (continued)

i. Recognition & Initial Measurement

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

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

ii. Classification & Subsequent Measurement

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Financial Assets - Business Model Assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

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

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

iii. Derecognition

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

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

3. Summary of Significant Accounting Policies (continued)

n. Financial instruments (continued)

iii. Derecognition (continued)

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

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

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

o. Impairment

Non-derivative Financial Instruments
The Group recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

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

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

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

The Group's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the Group has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch ratings to determine the level of credit exposure to the Group. The Group also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2026.

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

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

p. Issued Capital

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

q. Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2026, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

r. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The standard is effective for annual reporting periods beginning on or after 1 January 2027 for applicable entities. The directors have assessed the new standard and do not expect its adoption to have a material impact on the Group's financial position or financial performance, although it may result in changes to the presentation and disclosure of information in the financial statements.

3. Summary of Significant Accounting Policies (continued)

s. Comparative figures

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

4. Significant Accounting Judgements, Estimates & Assumptions

Management make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the consolidated financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Judgements

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

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

b. Assumptions & Estimation Uncertainty

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

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

c. Key estimates - inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

d. Control assessment

The Group is the largest shareholder in Upper Yarra Power Pty Ltd and owns 100% of the voting interest. Based on the voting patterns and power able to be exerted by Upper Yarra Community Enterprise Ltd, management has determined that Upper Yarra Power Pty Ltd is controlled by Upper Yarra Community Enterprise Ltd and therefore forms part of the consolidated entity.

4. Significant Accounting Judgements, Estimates & Assumptions (continued)

e. Classification of joint arrangements

Upper Yarra Community Enterprise Ltd has joint arrangements which are structured through an incorporated entity. Upper Yarra Community Enterprise Ltd and the other parties to the arrangements have rights to the net assets of the incorporated entity based on the agreement in place and therefore based on facts and circumstances, the joint arrangements have been classified as a joint venture and therefore equity accounting has been applied.

5. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group‘s overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Group does not utilise any derivative instruments.

Risk management is carried out directly by the board of directors.

The most significant financial risks to which the Group is exposed to are:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk and price risk.

a. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group'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 Group's reputation.

Non-derivative Financial Liability	Carrying Amount	<12 Months	1 - 5 Years	> 5 Years
	$	$	$	$
Lease liabilities	479,519	56,027	460,217	109,146

b. Credit risk

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

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

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Cash Flow & Fair Values Interest Rate Risk

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

The Group held cash and cash equivalents of $371,680 at 30 June 2026 (2025: $200,617). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

5. Financial risk management (continued)

c. Market risk (continued)

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

6. Capital Management

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

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

The distribution limit is the greater of:

(a) 20% of the profit or funds of the Group otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the Group 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 Group is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2026 can be seen in the statement of profit or loss and other comprehensive Income.

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

7. Revenue and other income

a. Disaggregation of revenue from contracts with customers

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

	2026 $	2025 $
Revenue from contracts with customers		
Revenue from contracts with customers	2,014,301	2,062,963
Feed in tariff & LGC income	23,011	41,990
	2,037,312	2,104,953
Disaggregation of Revenue From Contracts With Customers		
Margin Income	1,787,283	1,812,706
Fee Income	100,233	116,870
Commission Income	126,785	133,387
	2,014,301	2,062,963

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

b. Other revenue

The Group generates other sources of revenue as outlined below.

	2026 $	2025 $
Rental income	12,021	8,860
Dividend received	15,243	14,427
	27,264	23,287

8. Finance income and expenses

a. Finance income

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

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2026	2025
	$	$
Interest from term deposits	28,915	35,950

b. Finance expenses

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

	2026	2025
	$	$
Interest - lease	27,194	28,558

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

9. Employee benefits

a. Employee benefits expenses

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

	2026	2025
	$	$
Employee benefit expenses		
Salary and wage expenses	1,027,773	1,001,981
Superannuation contributions	120,142	113,381
Other employee benefit expenses	40,818	8,232
	1,188,733	1,123,594

b. Provisions for employee benefits

Current	2026	2025
	$	$
Long service leave		
Provision for long service leave	89,226	96,668
Annual leave		
Provision for annual leave	72,823	81,044
	162,049	177,712

Non-current	2026	2025
	$	$
Long service leave	22,542	21,546

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

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

10. Depreciation & Amortisation Expense

	2026 $	2025 $
Depreciation expenses		
Property, plant and equipment		
Buildings	51,092	48,457
Plant and equipment	18,142	21,471
Furniture, fixture and fittings	4,874	5,867
Leasehold improvements	6,205	5,304
Depreciation of Right-of-use Assets	39,243	39,243
	119,556	120,342
Amortisation of Intangible Assets		
Franchise fees	28,378	27,541
	28,378	27,541
	147,934	147,883

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Group's accounting policy (see Note 3(j), 3(l) and 3(m) for details).

11. Community Investments & Sponsorship

a. Community Investments & Sponsorship

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

	2026 $	2025 $
Community Investments & Sponsorship		
Direct Sponsorship and grant payments	215,201	80,462
Contribution to the Community Enterprise Foundation	-	157,894
	215,201	238,356

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

When the Group pays a contribution in to the CEF, the Group 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 Group.

b. Community Enterprise Foundation (CEF) Contributions

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

Description	Note	2026 $	2025 $
Disaggregation of CEF Funds			
Opening balance		354,984	318,721
Contributions paid		-	157,894
Grants paid out		(139,306)	(126,378)
Interest received		13,510	12,641
GST		8,391	-
Management fees incurred		-	(7,894)
Balance available for distribution		237,579	354,984

12. Income tax expense

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

a. The major components of tax expense comprise:

	2026 $	2025 $
Components of Tax Expense		
Current tax expense	66,263	89,591
Deferred tax expense	(31,874)	(3,647)
Franking credits	(6,531)	(6,183)
Total	27,858	79,761

b. Reconciliation of income tax to accounting profit:

	2026 $	2025 $
Profit for the year		
Profit for the year	104,264	226,932
Add back income tax expense		
Current tax expense	27,858	79,761
Total Profit for the year	132,122	306,693
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	33,031	76,673
Add / (Less) tax effect of:		
Imputation credits	(4,900)	(4,637)
Over provision in prior years	-	-
Inventory	-	4,648
Temporary differences	23,070	3,131
Movement in deferred tax	(31,874)	(3,647)
Adjustment to account for tax loss	8,531	3,593
Income tax attributable to the entity	27,858	79,761
Income tax expense	27,858	79,761
Weighted average effective tax rate (%)	21	26

13. Cash and cash equivalents

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

	2026	2025
	$	$
Cash & Cash Equivalents	371,680	200,617
	371,680	200,617

14. Trade and other receivables

	2026	2025
	$	$
Trade receivables	181,565	167,096
Other receivables	8,172	8,345
	189,737	175,441

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

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

15. Financial Assets

	2026	2025
	$	$
Other financial assets		
Listed investments	266,430	302,109
Term deposits	687,491	802,902
	953,921	1,105,011

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

16. Other assets

	2026	2025
	$	$
Prepayments	14,048	9,070
	14,048	9,070

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

17. Property, plant and equipment

a. Property, plant and equipment details

	2026			2025		
	At Cost / Valuation $	Accumulated Depreciation $	Written Down Value $	At Cost / Valuation $	Accumulated Depreciation $	Written Down Value $
Buildings	1,892,915	(448,828)	1,444,087	1,889,915	(394,736)	1,495,179
Leasehold improvements	313,183	(141,882)	171,301	313,183	(135,677)	177,506
Plant & equipment	586,885	(270,450)	316,435	588,581	(254,179)	334,402
Furniture & fittings	163,332	(134,536)	28,796	164,422	(130,703)	33,719
Start-up costs	220,596	(220,596)	-	220,596	(220,596)	-
	3,176,911	(1,216,292)	1,960,619	3,176,697	(1,135,891)	2,040,806

b. Movement in Carrying Amounts

2026	Buildings $	Leasehold improvements $	Plant and equipment $	Furniture, fixtures and fittings $	Total $
Opening balance	1,495,179	177,506	334,402	33,719	2,040,806
Additions	-	-	488	-	488
Disposals	-	-	(313)	(49)	(362)
Revaluation	-	-	-	-	-
Depreciation	(51,092)	(6,205)	(18,142)	(4,874)	(80,313)
Closing balance	1,444,087	171,301	316,435	28,796	1,960,619

2025	Buildings $	Leasehold improvements $	Plant and equipment $	Furniture, fixtures and fittings $	Total $
Opening balance	1,436,530	123,567	354,043	39,586	1,953,726
Revaluation	81,830	-	-	-	81,830
Additions	25,276	59,243	1,830	-	86,349
Depreciation	(48,457)	(5,304)	(21,471)	(5,867)	(81,099)
Closing balance	1,495,179	177,506	334,402	33,719	2,040,806

c. Capital Expenditure Commitments

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

d. Changes in Estimates

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

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

18. Right-of-use Assets

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

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

The Group's lease portfolio includes buildings.

a. Option to Extend or Terminate

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

b. AASB 16 Amounts Recognised in the Statement of Financial Position

	2026 $			2025 $		
	At Cost / Valuation $	Accumulated Depreciation $	Written Down Value $	At Cost / Valuation $	Accumulated Depreciation $	Written Down Value $
Leased buildings	588,646	(219,008)	369,638	588,646	(179,765)	408,881
	588,646	(219,008)	369,638	588,646	(179,765)	408,881

c. Movements in Carrying Amounts

2026	Leased Buildings $
Opening balance	408,881
Depreciation expense	(39,243)
Net carrying amount	369,638

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

	2026 $	2025 $
Depreciation expense related to right-of-use assets	39,243	39,243
Interest expense on lease liabilities	27,194	28,558
	66,437	67,801

19. Intangible assets

a. Intangible asset details

	2026 $			2025 $		
	At Cost / Valuation $	Accumulated Amortisation $	Written Down Value $	At Cost / Valuation $	Accumulated Amortisation $	Written Down Value $
Franchise Fee	141,893	(40,203)	101,690	141,893	(11,825)	130,068
	141,893	(40,203)	101,690	141,893	(11,825)	130,068

Movement in Carrying Amounts

2026	Franchise Fees $
Opening balance	130,068
Amortisation	(28,378)
Closing balance	101,690

2025	Franchise Fees $
Opening balance	15,716
Additions	141,893
Amortisation	(27,541)
Closing balance	130,068

20. Tax assets and liabilities

a. Current Tax

Current tax assets	2026	2025
	$	$
Current tax	58,972	22,750

b. Deferred Tax

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

	2025	Recognised in P&L	2026
	$	$	$
Deferred Tax Assets			
- Expense accruals	9,231	2,547	11,778
- Unused tax losses	68,575	8,800	77,375
- Provision for employee benefits	49,814	(3,666)	46,148
- Right-of-use assets and lease liabilities from AASB 16	24,327	3,143	27,470
- Financial assets carried at FVTPL	-	1,110	1,110
Total deferred tax assets	151,947	11,934	163,881
Deferred Tax Liabilities			
- Accrued Income	(2,086)	43	(2,043)
- Prepayments	(2,268)	(1,538)	(3,806)
- Property, plant & equipment	(237,520)	9,814	(227,706)
- Financial assets carried at FVTPL	(11,621)	11,621	-
Total deferred tax liabilities	(253,495)	19,940	(233,555)
Net deferred tax liabilities	(101,548)	31,874	(69,674)

20. Tax assets and liabilities (continued)

b. Deferred Tax (continued)

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

	2024	Recognised in P&L	2025
	$	$	$
Deferred Tax Assets			
- Expense accruals	6,842	2,389	9,231
- Unused tax losses	64,982	3,593	68,575
- Provision for employee benefits	57,188	(7,374)	49,814
- Right-of-use assets and lease liabilities from AASB 16	20,329	4,000	24,329
- Financial assets carried at FVTPL	(4,639)	4,639	-
Total deferred tax assets	144,702	7,247	151,949
Deferred Tax Liabilities			
- Property, plant & equipment	(245,850)	8,330	(237,520)
- Accrued income	(2,922)	836	(2,086)
- Financial assets carried at FVTPL	-	(11,621)	(11,621)
- Prepayments	(2,297)	29	(2,268)
Total deferred tax liabilities	(251,069)	(2,426)	(253,495)
Net deferred tax liabilities	(106,367)	4,821	(101,546)

21. Trade and other payables

Current trade and other payables	2026	2025
	$	$
Trade payables	969	1,256
Other trade and other payables	170,435	133,171
	171,404	134,427

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

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

Non-current trade and other payables	2026	2025
	$	$
Franchise fee payable	62,433	93,649

22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.50%.

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

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

a. Lease Portfolio

The Group's lease portfolio includes:

Lease	Details
Yarra Junction Branch	The lease agreement is a non-cancellable lease with an initial term of fifteen years which commenced in Dec 2020. The lease has no further options available.

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

b. Lease Liabilities

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

	2026 $	2025 $
Current	30,391	26,677
Non-current	449,128	479,519
	479,519	506,196

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

	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 Years	Total
30 June 2026					
Lease payments	56,027	118,867	341,351	109,202	625,447
Finance charges	(25,636)	(45,800)	(70,068)	(4,424)	(145,928)
Net present values	30,391	73,067	271,283	104,778	479,519
30 June 2025					
Lease payments	53,872	114,295	328,222	182,873	679,262
Finance charges	(27,195)	(49,566)	(84,166)	(12,139)	(173,066)
Net present values	26,677	64,729	244,056	170,734	506,196

c. Lease Payments Not Recognised as a Liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

There were no expenses relating to short term leases.

23. Issued Capital

a. Issued Capital

	2026		2025	
	Number	$	Number	$
Ordinary shares - fully paid	1,614,110	889,520	1,614,110	889,520

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

b. Share capital movements

	2026	2025
	$	$
Fully paid ordinary shares:		
At the beginning of the reporting period	1,614,110	1,614,110
At the end of the reporting period	1,614,110	1,614,110

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

24. Reserves

	2026	2025
	$	$
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	563,074	481,244
Fair value movements during the period	-	81,830
Balance at the end of the reporting period	563,074	563,074

The reserves represent undistributable gains recognised on the revaluation of non-current assets.

25. Retained Earnings

	2026	2025
	$	$
Balance at the beginning of the period	1,605,585	1,548,135
Profit for the year	104,264	226,932
Dividends paid	(109,759)	(169,482)
Total	1,600,090	1,605,585

26. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	$	$
Profit for the year	104,264	226,932
Add / (less) non-cash items:		
Depreciation of property, plant and equipment	80,313	81,099
Depreciation of right-of-use assets	39,243	39,243
Amortisation of Intangibles	28,378	27,541
Bad debts	-	(10)
Fair value decrease/(increases)	50,922	(27,928)
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(14,296)	21,580
(Increase) / decrease in prepayments and other assets	(4,979)	118
(Increase) / decrease in inventories	611	18,590
(Increase) / decrease in current tax asset	(36,222)	18,979
Increase / (decrease) in trade and other payables	36,978	53,575
Increase / (decrease) in deferred tax liability	-	(4,822)
(Decrease) / increase in deferred tax liabilities	(31,872)	-
Increase / (decrease) in provisions	(14,667)	(29,491)
Cash flows from operations	238,673	425,406

27. Financial Instruments

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

	Note	2026	2025
		$	$
Financial Assets			
Cash and cash equivalents	13	371,680	200,617
Trade and other receivables	14	189,737	175,441
Term Deposits	15	687,491	802,902
Total		1,248,908	1,178,960
Financial Liabilities			
Trade and other payables	21	233,837	228,076
Lease liabilities	22	479,519	506,196
Total		713,356	734,272

28. Related Parties

Key management personnel remuneration included within employee expenses for the year is shown below:

a. Key Management Personnel

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

b. Key Management Personnel Compensation

	2026	2025
	$	$
Short-term employee benefits	23,214	46,585
Post-employment benefits	2,786	3,546
Other long-term benefits	-	2,752
Total key management personnel compensation	26,000	52,883

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

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

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

c. Other Related Parties

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

d. Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value
		$
Yarra Junction Football Netball Club - Sally Brennan	Sponsorship	1,000
Upper Yarra Secondary College - Sally Brennan	School Support program	8,000
Outer East Football and Netball Association - Rodney McKail	Sponsorship	6,600
Warburton Millgrove Football Netball Club - Neil Jorgensen, Garry Lewis & Rodney McKail	Sponsorship	4,000
Wesburn Junior Football Club - Garry Lewis	Sponsorship	5,000
Upper Yarra Community Power Pty Ltd - Garry Lewis & Neil Jorgansen		10,000
Warbuton Valley CEDA - Louise Hogan	Sponsorship	1,250
Total of related party transactions		**35,850**

e. Key Management Personnel Shareholdings

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

28. Related Parties (continued)

f. Other Key management Transactions

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

29. Auditor's Remuneration

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

	2026 $	2025 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	7,150	6,800
Total	7,150	6,800
Non-Audit Services		
Preparation of the financial statements	1,700	-
Total	1,700	-
Total auditor's remuneration	8,850	6,800

30. Dividends

a. Dividends declared or paid

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

	Number	2026 $	Number	2025 $
The following dividends were declared and paid:				
Fully franked ordinary dividends	1,614,110	109,759	1,614,110	169,482

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

	2026 $	2025 $
Franking credit balance		
Balance at the beginning of the reporting period	729,875	715,757
Movements during the period	(22,681)	14,118
Balance at the end of the reporting period	707,194	729,875

31. Earnings Per Share

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

	2026	2025
Profit attributable to ordinary shareholders ($)	104,264	226,932
Weighted average number of ordinary shares (Number)	1,614,110	1,614,110
Basic and diluted earnings per share (Cent)	6	14

32. Events occurring after the reporting date

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

33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22 . Details about any capital commitments are detailed in Note 17.c.

The Group has no other commitments requiring disclosure in 2026 (2025: $300,000).

In the opinion of the directors, the Group did not have any contingencies requiring disclosure at 2026 (2025: $0).

34. Statutory information

The registered office and principal place of business of the Group is:

3399 Warburton Hwy, Warburton, VIC, 3799

The principal places of business are:

	Input
Warburton Community Bank Branch	3399 Warburton Highway, Warburton, VIC, 3799
Yarra Junction Community Bank Branch	Shop 1/2452 Warburton Hwy, Yarra Junction, VIC, 3797

35. Fair value measurement

The Group may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Group measures the following assets and liabilities at fair value on a recurring basis:

a. Fair value hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

35. Fair value measurement (continued)

a. Fair value hierarchy (continued)

2026	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring fair value measurements				
Non-financial assets				
Freehold land & building	-	1,444,087	-	1,444,087
	-	1,444,087	-	1,444,087
Financial Assets				
Listed investments	266,430	-	-	266,430

2025	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring fair value measurements				
Non-financial assets				
Freehold land & building	-	1,495,179	-	1,495,179
	-	1,495,179	-	1,495,179
Financial investments				
Listed investments	302,109	-	-	302,109

Transfers between levels of the hierarchy
There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2025:no transfers).

Highest and best use
The Group use of each asset measured at fair value is considered to be its highest and best use.

b. Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

36. Parent entity

The following information has been extracted from the books and records of the parent, Upper Yarra Community Enterprise Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Upper Yarra Community Enterprise Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Statement of financial position	2026	2025
	$	$
Assets		
Current assets	1,256,854	1,174,955
Non-current assets	2,800,599	2,854,836
Total assets	4,057,453	4,029,791
Liabilities		
Current liabilities	303,812	282,875
Non-current liabilities	689,725	797,553
Total liabilities	993,537	1,080,428
Net Assets	3,063,916	2,949,363
Equity		
Issued capital	889,520	889,520
Retained earnings	1,611,321	1,578,599
Reserves	563,075	481,244
Total equity	3,063,916	2,949,363

Statement of profit or loss and other comprehensive income	2026	2025
	$	$
Revenue	2,070,480	2,122,200
Expenses	(1,672,198)	(1,527,600)
Operating profit before charitable donations and sponsorship	**398,282**	**594,600**
Charitable donations and sponsorships	(215,201)	(238,356)
Profit before income tax	**183,081**	**356,244**
Income tax expense	(40,598)	(84,424)
Profit for the year after income tax	**142,483**	**271,820**
Other comprehensive income/(expense) for the year	-	81,830
Total comprehensive income attributable to ordinary shareholders of the company	**142,483**	**271,820**

a. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity. No dividends received from subsidiary for 2026 financial year (2026 : Nil).

b. Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2026 or 30 June 2025.

c. Contractual commitments

The parent entity did not have any commitments as at 30 June 2026 or 30 June 2025.

37. Interests in subsidiaries

a. Composition of the Group

Subsidiaries	Entity Type	Principle place of business/ country of incorporation	Ownership interest* %	Tax residency
Upper Yarra Power Pty Ltd	Private Company	Australia	100	Australia**

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

** Upper Yarra Community Enterprise Ltd (the 'parent entity') and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the tax consolidation regime.

b. Significant restrictions relating to subsidiaries

There are no significant restrictions to access or use assets and settle the liabilities of the Group..

c. Subsidiaries with material non-controlling interests

The amounts disclosed below are prior to any inter-company eliminations.

	Upper Yarra Power Pty Ltd 2026	Upper Yarra Power Pty Ltd 2025
Summarised consolidated statement of financial position		
Current assets	7,182	13,750
Non-current assets	787,428	817,915
Current liabilities	(78,898)	(842)
Non-current liabilities	(440,618)	(517,491)
Net assets	262,354	313,312
Summarised consolidated statement of profit or loss and other comprehensive income		
Revenue	23,011	41,990
Expenses	(73,969)	(91,541)
Operating profit before charitable donations and sponsorships	(50,958)	(49,551)
Profit before income tax	(50,958)	(49,551)
Income tax expense	12,740	4,663
Profit (loss) for the year after income tax	(38,218)	(44,888)
Total comprehensive income attributable to ordinary shareholders of the company	(38,218)	(44,888)

d. Financial Support for Subsidiary

During the year ended 30 June 2026, Upper Yarra Community Power Pty Ltd recorded a loss after income tax of $38,218 and experienced a cash deficit of $19,529. To support the ongoing operations of the subsidiary and ensure it is able to meet its obligations as and when they fall due, Upper Yarra Community Enterprise Ltd provided financial support by underwriting the subsidiary's cash requirements during the year.

As at 30 June 2026, the parent entity's total investment in the subsidiary, comprising equity contributions and loans advanced, was approximately $706,000.

The Directors have assessed the financial position and future funding requirements of the subsidiary and are satisfied that the parent entity has both the capacity and intention to continue providing financial support as required. It is anticipated that similar support arrangements will continue during the 2026/27 financial year

Consolidated Entity Disclosure Statement

30 June 2026

Entity name	Country of incorporation	Percentage owned (%)* 2026	Type of entity	Tax residency
Upper Yarra Power Pty Ltd	Australia	100	Private Company	Australia**

Basis of Preparation

The Consolidated entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the year.

Directors' declaration

For the year ended 30 June 2026

In accordance with a resolution of the directors of Upper Yarra Community Enterprise Limited, we state that:
In the opinion of the directors:

1. The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
   - giving a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
   - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable
3. The information disclosed in the attached consolidated entity disclosure statement, on page 47 is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.

Rodney McKail
Chair

Dated: 29 September 2026

Independent audit report

Independent Auditor's Report

To the Members of Upper Yarra Community Enterprise Ltd

Report on the audit of the financial report

Opinion

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

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

a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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

RSD Audit Pty Ltd | ABN: 85 619 186 908
(03) 4435 3550 | 41A Breen St, Bendigo VIC 3550
www.rsdaudit.com.au

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

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

Independence

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

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

RSD Audit

Mahesh Silva
Associate Director

29 September 2026







We love community











Community Bank
Warburton and Yarra Junction












Bendigo Bank
10/12/2025
Pay ADRA - Christmas Food Drive
The sum of One Thousand Dollars
$1000—
from
Community Bank
Warburton & Yarra Junction

Community Bank · Warburton
3399 Warburton Highway, Warburton VIC 3799
Phone: 03 5966 2122
Email: warburtonmailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/warburton

Community Bank · Yarra Junction
Shop 1/2452 Warburton Highway, Yarra Junction VIC 3797
Phone: 03 5967 1919
Email: yarrajunctionmailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/branch/vic/community-bank-yarra-junction-district

Franchisee: Upper Yarra Community Enterprise Ltd
ABN 54 090 252 627
3399 Warburton Highway, Warburton VIC 3799
Postal: PO Box 434, Warburton VIC 3799
Phone: 03 5966 9028
Email: admin@upperyarra.net.au
Web: www.upperyarra.net.au

/communitybankwarburtonyarrajunction

/communitybankupperyarra

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26032) (09/26)