



Annual Report 2025





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Chairman's Message



The Company posted a profit to the owners of Village of \$8.9 million before tax. This profit whilst a reduction on the previous year remains a good outcome under challenging market conditions.

The Board has declared a final dividend of 6.0 cents per share fully franked, which when added to the 4.0 cents interim dividend, takes the full year dividend for FY25 to 10.0 cents per share fully franked. The FY25 dividend, reflective of the reduction in profits, represents a decrease on the 15.0 cents per share dividend paid for FY24.

To encourage participation, the Board has maintained the price of \$1.25 per share for the Company's Dividend Reinvestment Plan, which represents a discount on the assessed current share price of \$1.40. A 10.0 cents per share dividend represents a 11.4% return based on this DRP price, inclusive of franking credits. A review of the underlying assumptions behind the \$1.40 share price was undertaken, and the Board determined that this price remains a fair reflection of the underlying value.

The Company finished the year with Shareholders' equity attributable to the owners of Village of \$99 million. Shareholders' equity has grown by 80% over the last four years from \$55 million in FY21.

Shareholders' equity has grown by

↑ 80%

over the last four years

This growth in Shareholders' equity has been the result of the profits retained over that period together with the ongoing participation of shareholders in the Company's Dividend Reinvestment Plan, new share issues and the conversion to ordinary shares of some of the Company's Convertible Redeemable Preference Shares.

Despite the reduced profit outcome, the Company has been able to maintain a strong cash position with the cash balance within the Group at the end of the year sitting at \$48.8 million, \$38.5 million of which was held within the wholly owned group.

The second tranche of the sale proceeds for Village's interest in the Big Banana was received reducing the Company's ownership of this asset to 9.8%. The third and final tranche is due by the end of FY26.

To provide an additional liquidity mechanism for the Company's shares the Board has maintained the equal access buyback scheme introduced last year and has set aside another \$1 million to buy back the shares of those shareholders wishing to sell down their interest in the Company. This opportunity for shareholders to sell down their interest will be available in November this year with the buyback price remaining at the current DRP price of \$1.25.

Our CEO, Vince Whiteside, has advised the Board of his intention to retire following the Company's Annual General Meeting in November this year. Vince has been with Village for 32 years, as CFO, Deputy CEO, and ultimately CEO. I take this opportunity to thank Vince for his outstanding dedication and long-term commitment to the Company. He led the Company during a period when it delivered record profits, significantly increased Shareholder's equity and secured major long term development opportunities. Culture and staff morale has also flourished under Vince's leadership.

The Board has appointed Rob Fisher to succeed Vince as CEO. Rob has been Village's CFO for the last four years and from 1 July also had the role of Deputy CEO added to his responsibilities. Rob will take over on Vince's retirement and in the interim will work closely with Vince to hand over his duties and ensure a smooth transition. Our Financial Controller, Julia Pooley, was also promoted to the position of Deputy CFO from 1 July.

Please join me in congratulating Vince on his upcoming retirement, and Rob and Julia on their new roles.

This year the Board has also had a focus on its own succession and has developed a strategy for Board renewal. Announcements around Board changes will be made in due course.

On behalf of the Board, I extend my thanks to shareholders and investors for their ongoing support and loyalty. Whilst FY25 saw a reduction in profits and dividends, the Company remains in a strong position. I thank the Board, management and staff for their efforts and commitment over the last 12 months.

John V. McCarthy AO
Chairman

23 September 2025
Canberra

Chief Executive Officer's Message



Our Woodlinks Project enjoyed strong sales due to a buoyant market in South-East Queensland, however, despite the two interest rate cuts by the RBA the market in the ACT has remained subdued making the achievement of sales at South Jerrabomberra challenging. The ACT market was also negatively impacted during the year by uncertainty around the Federal Election with the Opposition threatening significant cuts to the Public Service. However, with a significant sales and marketing effort we were able to sell and settle much of our available stock at South Jerrabomberra.

Pleasingly, our efforts over the last couple of years to secure a second access road at South Jerrabomberra are beginning to bear fruit. The Queanbeyan-Palerang Regional Council now support the construction of the first stage of Dunns Creek Road to the South of South Jerrabomberra and we are actively working with Transport for NSW to engage with the ACT Government to secure agreement to proceed. A second access road would remove the 1,500 dwelling cap on this Project and allow for an increased yield with a greater proportion of more affordable housing.

In anticipation of a second access road proceeding in the future, we undertook a redesign of Estate 2 at South Jerrabomberra to increase the density of this stage, with a revised DA lodged with Council. This process whilst improving the longer term returns of the Project constrained the stock, particularly more affordable stock, that could be offered for sale in FY25.

The challenging market conditions and limited stock resulting in lower sales in FY25 was offset in part by the profits from the sale of the Big Banana which resulted in an \$8.9 million profit before tax. \$5.5 million of which related to The Big Banana Group Limited. We anticipate that the ACT market will see some improvement in FY26 with the RBA cutting interest rates for a

third time in August and with further cuts likely. At the time of writing, we had achieved sales representing 50% of our FY26 sales target.

Outside of the FY25 operating result significant progress has been made on various fronts across the Business.

- DA approval was obtained for our Rutledge Street, Queanbeyan and Talpa Estate, Googong projects.
- The Town Park together with a Community Centre and the Lifestyle Park inclusive of a dog park and community gardens and orchard were delivered. These amenities will provide great recreational opportunities for South Jerrabomberra residents and the wider community and will greatly assist with future sales within this Project.
- The Town Centre at South Jerrabomberra was serviced and a DA approved for the built form, which is anticipated to include a supermarket, chemist, medical centre, gym, hairdresser and various dining outlets. We are actively engaging with potential tenants for this centre.
- A DA was lodged to subdivide our Fetherston, Weston Project into four lots. It is proposed that three of these lots be sold for childcare, healthcare and seniors' living development with the remaining lot being retained for the construction of 168 townhouses. This DA was approved in July 2025 this year and a contract was exchanged for the childcare lot. We are in discussions with potential buyers on the other two lots.
- Our Trilogy, South Morang Project was completed and the remaining townhouses sold and settled in FY25. Our Melbourne Office has now been closed and there are no immediate plans to seek further projects in this location.
- We have reprioritised the delivery of built form and propose significantly increasing the volume

of homes constructed each year in the ACT. We are also proposing to construct the South Jerrabomberra Town Centre. As a result, we are in the process of expanding our ACT Building Division to accommodate this strategy.

- Good progress has been made with the rezoning of our Tallagandra Land in Yass Valley, NSW and the Planning Proposal is well advanced.
- We have further secured our future pipeline with acquisitions in Murrumbateman, NSW and Waraba, QLD. These sites, similar to Tallagandra, require a rezoning.

Another major event during the year was the move of our Head Office in the ACT from Mitchell to Childers Street in Canberra City. The new accommodation is much more modern and spacious than our old offices and provide a more comfortable, centrally located environment for our staff with ample room for the future expansion of our team. The offices in Mitchell which had been occupied for over 30 years were sold and settled in FY25.

I would like to thank management and staff for their significant commitment and hard work during what was a very challenging year.

As this will be my last Annual Report, I take this opportunity to thank the Board, staff, shareholders and all of our stakeholders for their support over what has been a very long career with Village. It has been a privilege to have led the Company for over four years as its CEO, and I am very proud of what has been achieved during that period. The Business is in a strong position, and I am confident that this position will further strengthen under the new leadership.

Vince Whiteside
Chief Executive Officer

23 September 2025

Business Overview

At Village, we believe that all Australians should be able to fulfil their home ownership dreams in a community they can be proud of, and at a price that they can afford. We aim to develop thriving, sustainable communities not only for today, but for the enjoyment of future generations.

We encourage a mix of integrated single title and multi-unit housing in order to create strong, vibrant and diverse communities and to achieve socially responsible densities. Our communities are situated in close proximity to key public amenities such as schools, transport, employment and services, and also include an abundance of parks and recreational spaces for residents to enjoy.

Through its history, Village has completed projects yielding 16,648 products representing \$2.85 billion in revenue and is currently managing projects under development totalling a further 2,687 products and \$1.72 billion in revenue. As such, the Group has produced and committed 19,335 products and \$4.57 billion in sales revenue. Of these 19,335 products, 12,381 are located in the ACT and 5,825 have included constructed homes.

We currently have five active projects and employ 50 staff across four locations.

We have a diversified land bank by product mix and location with projects in the ACT region and South-East Queensland.

We continue to assess opportunities to acquire residential land holdings in a disciplined manner as appropriate to market conditions while maintaining a focus on profitability and the level of debt.



5 active projects

4 locations

50 staff

\$330m

Asset value

2,687 lots

Remaining in existing projects



Corporate Governance Statement

The Board of Directors (the 'Board') of The Village Building Co. Limited and related entities (the 'Group') has, as a primary role, the protection and enhancement of long-term shareholder value.

The Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, appointing directors, establishing and monitoring the achievement of management goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems.

Whilst at all times retaining full responsibility for guiding and monitoring the Group, in discharging its stewardship the Board makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

The Board has established a framework for the management of the Group including a business risk management process and the establishment of appropriate ethical standards. Executives are regularly involved in Board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Directors are subject to the Group's Code of Conduct, and are all party to Deeds of Indemnity, Insurance and Access which provide mechanisms for the management of conflicts of interest and Director performance.

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group.

Composition of the Board

The skills, experience and expertise held by each director in office at the date of the annual report is included in the directors' report. The Board currently comprises six directors, all of whom are non-executive directors. Two observers, Madison Winnel and Jessica De Simone, attend Board meetings but do not vote.

The Board has established sub-committees to support the effective governance framework and to advise and support the Board in carrying out its duties. To this end, the Board has established the following sub-committees, each of which has a Charter:

- Remuneration Committee;
- Audit, Risk and Governance Committee;
- Acquisition Policy and Funding Committee;
- Village Housing Board; and
- Argyle Building Board.

The Project and Cost Advisory Group was disbanded this year, with its agenda incorporated into that of the whole Board. Three directors sit on the Board of The Big Banana Group Limited, as does the Chief Financial Officer.

Remuneration Committee

The Remuneration Committee has been established to achieve the Board's objective of providing maximum stakeholder benefits from the retention of a high-quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to management and the directors themselves. It is also responsible for incentive schemes, performance packages, superannuation entitlements, termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the Remuneration Committee during the reporting period were:

- Michael De Simone (Chairman);
- John V. McCarthy AO; and
- Robert Winnel AM.

The Board policy is that the Remuneration Committee will comprise entirely of non-executive directors. The Chief Executive Officer and Chief Financial Officer are invited to Remuneration Committee meetings, as required, to provide advice to the Committee. Neither participates in decisions relating to his own remuneration.

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee ('ARGC') consists of members who should be independent non-executive directors and must be chaired by a non-executive director who is not the Chairman of the Board. The Committee advises the Board on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the governance of the Group.

Corporate Governance Statement (Continued)

The members of the ARGC during the reporting period were:

- Loyd Perin (Chairman to 12 March 2025);
- Steward Hindmarsh (Chairman from 12 March 2025);
- Geoff Applebee (to 19 November 2024);
- Albert Dabas; and
- John V. McCarthy AO.

Jessica De Simone attended meetings of the ARGC as an observer.

The ARGC assists the Board to fulfil its oversight responsibilities in relation to:

- the preparation and integrity of the financial statements;
- internal controls, policies and processes used to identify and manage business risk including appropriate insurance cover;
- development and implementation of an internal audit program;
- valuation of the Company's shares;
- oversight and monitoring of systems, processes and budgetary systems and performance against budget;
- annual audit of the Group and related entity financial statements; and
- compliance with legal and regulatory requirements including compliance with internal governance.

The external auditors, the internal auditors, the Chief Executive Officer, the Chief Financial Officer, and other staff may be invited to ARGC meetings.

Acquisition Policy and Funding Committee

The Acquisition Policy and Funding Committee ('APFC') assists the Board by providing:

- peer review of proposed acquisitions and due diligence processes;
- a recommendation to the Board on proposed acquisitions;
- recommendations on financial commitments relating to projects under investigation;
- a thorough analysis of risks and opportunities of a proposed acquisition; and
- detailed analysis of the Group cash flow position, assumptions adopted and funding mechanisms.

The members of the APFC during the reporting period were:

- Albert Dabas (Chairman);
- Michael De Simone; and
- Robert Winnel AM.

Madison Winnel attends the APFC as an observer.

The Chief Executive Officer, the Chief Financial Officer, and other staff may be invited to APFC meetings.

Village Housing and Argyle Building Boards

The Village Housing and Argyle Building Boards assist the Group Board by working with management to:

- provide oversight, governance and strategic direction;
- review the contract pricing for the construction entities;
- undertake construction entities' direct and indirect cost forecasts; and
- undertake a review of the housing programs.

The members of the Village Housing and Argyle Building Boards during the reporting period were:

- Albert Dabas (Chairman)
- Robert Winnel AM;
- Michael De Simone; and
- Wayne Pangbourne (to 30 June 2025).



Big Banana Board

The Group Board who were members of the Big Banana Board during the reporting period were:

- Robert Winnel AM (Chairman);
- Geoff Applebee (to 26 November 2024);
- Albert Dabas;
- Michael De Simone; and
- Rob Fisher (from 26 November 2024).

Management of the Big Banana and other staff may be invited to Big Banana Board meetings.

For details on the number of meetings held during the year and the attendees at those meetings, refer to the directors' meetings table in the Directors' Report.

Communication with shareholders

We are committed to providing a high standard of communication to shareholders and investors so that they have all available information reasonably required to make informed decisions in relation to the Group's value and prospects.

Shareholders and investors receive regular updates on business activities throughout the year via regular investor information sessions and newsletters. The annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the Group during the year. This report is also placed on the Company's website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals.

Risk management and internal control

The Board determines the Company's risk appetite and is responsible for overseeing the establishment, implementation and review of the Group's Risk Management System which assesses, monitors and manages operational, financial reporting and compliance risks for the Group.

The Board receives an update on the status of risks throughout the year via a risk management program aimed at ensuring risks are identified, assessed and appropriately managed. The ARGC provides support and advice to the Board on matters relating to risk management and internal control, and operates a whistleblower reporting system.

The Group maintains internal controls intended to identify and manage significant business risks. The Board is responsible for the Group's internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. Review of internal controls is a continuous process for the Board and management.

In 2025, the following matters were addressed:

- Internal audits of the transition to new share register and funds management software.
- An update to the Group's risk appetite statement.
- Publication of the Group's Modern Slavery Statement.



Recognised for Trust, Quality & Capability

The Village Building Co. Limited is proud to have achieved a Gold Star Rating from iCIRT, the independent rating tool developed by Equifax. This rating signifies our proven capability, financial integrity, and commitment to delivering high-quality, trustworthy residential developments.

Last Rated: June 2025.

The use of the iCIRT star-rating is subject to Equifax's terms, exclusions and/or disclaimers which are available at www.icirt.com/protect2.fireeye.com/v1/url?k=31323334-501d2dca-313219e2-454455534531-bdbb3365cfd38a7f&q=1&e=eee2fc5d-9a8f-4966-853b-97d37309f61b&u=https%3A%2F%2Fwww.icirt.com%2F. Please scan the QR code for further information on this particular iCIRT star-rating.

Corporate and Community Engagement



Village is a founding sponsor of the Canberra Raiders NRLW team.

Industry

Corporate member of:

- Property Council of Australia
- Master Builders Association of the ACT
- Canberra Business Chamber
- Housing Industry Association
- Urban Development Institute of Australia

Staff sit on committees of:

- Property Council of Australia
- Australian Property Institute
- Planning Institute of Australia

Community

Grants and sponsorships include:

- Canberra Raiders NRLW
- Queanbeyan Netball Association
- Jerrabomberra Christmas Carols
- Queanbeyan City Football Club
- Preston Lions Football Club
- Monaro Panthers Football Club
- Menslink
- Special Children's Christmas Party

Vince Whiteside – Allan Wylucki Leadership Award

- Vince was honoured with the Allan Wylucki Award from the Property Council of Australia recognising his contribution to the development industry over his career with Village

MBA (ACT) – WHS Residential award (South Jerrabomberra at Tralee)

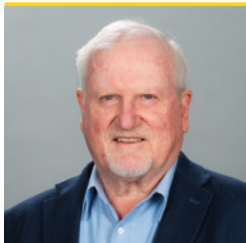


Directors' Report

The directors present their report, together with the financial statements, on the Group consisting of The Village Building Co. Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The names, qualifications, experience and special responsibilities of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

	Name:	John V. McCarthy AO
	Position:	Non-Executive Chair
	Qualifications:	AO; FRICS; FAICD; FAPI; FREI
	Experience:	John is widely recognised as an industry leader. He has a significant breadth of experience across Corporate Governance. He currently sits on various boards both in the Government and Private Sectors. John joined the Village Board of Directors in 2005 and was appointed Chair in 2012. In 2009 he was made an Officer in the Order of Australia.
	Special responsibilities:	Member of Audit, Risk and Governance Committee and member of Remuneration Committee. Board Representative on the Workplace Health and Safety Management Committee.
	Name:	Geoffrey (Geoff) Applebee
	Position:	Non-Executive Director (resigned 19 November 2024)
	Qualifications:	B.A. (Acc); FCA; FAICD
	Experience:	Geoff joined the Board of Village in July 2013. He was a Senior Partner of Ernst & Young in Canberra and Sydney, retiring in 2009 and had a long association with Village as a client. He is Chairman of several private companies and Chairs the Audit and Risk Committee for the Aged Care Quality and Safety Commission. Geoff is a highly experienced adviser and consults to professional services firms and their partners.
	Special responsibilities:	Member of the Audit, Risk and Governance Committee and Director of The Big Banana Group Limited (resigned 19 November 2024).
	Name:	Albert Dabas
	Position:	Non-Executive Director
	Qualifications:	B. Bus; CPA; FDIA
	Experience:	Albert has been with Village since 1993. Albert's 50-year+ career, with over 40 years in the industry provides a depth of knowledge and experience which is highly valued with respect to operational and strategic decision making for the business. Albert has made an important contribution to the growth and success of Village through diversification into new geographic markets and establishment of an in-house building capability. Albert retired from his role as Deputy Chief Executive Officer on 30 June 2019 and joined the Board as a Director on 1 July 2019.
	Special responsibilities:	Chair of the Acquisition Policy and Funding Committee, Chair of the Village Housing and Argyle Building Boards, member of the Audit, Risk and Governance Committee, and Director of The Big Banana Group Limited.

Directors' Report (Continued)



Name:	Michael De Simone
Position:	Non-Executive Director
Experience:	Michael joined Village's Board of Directors in December 2012. He was Managing Director of Canberra Contractors Pty Ltd and IC Formwork Services Pty Ltd from 1984 until 2012. He was instrumental in forming a consortium of three of Canberra's civil engineering contractors in a joint venture project to construct Gungahlin Drive Extension Stages A and B. Formwork construction projects have included the National Portrait Gallery, extension of the Australian War Memorial, Acton South, and many projects that define the landscape of Canberra. Michael has been a primary driver for a consortium that has developed and built residential and commercial units in the ACT and Queensland. He served as an Executive member of the MBA ACT for 4 years. He is recognised as a leader in the construction industry in the ACT, having been involved in the construction of over 6,000 building blocks for the ACT Government and Village.
Special responsibilities:	Chair of Remuneration Committee, Member of Acquisition Policy and Funding Committee and of the Village Housing and Argyle Building Boards and Director of The Big Banana Group Limited.



Name:	Stewart Hindmarsh
Position:	Non-Executive Director
Qualifications:	B.Ec, LLB (Hons), M.Bus
Experience:	Joining Village in 2023, Stewart has been a shareholder of the Company for more than 15 years. Stewart has 20 years' experience in senior management across the finance, insurance, and property industries. He is currently CEO of OpusXenta Limited, a global software business supporting the death care industry. Prior to this he was the CEO of Hindmarsh Retirement and Finance Director for Hindmarsh Construction. Stewart spent seven years as Chief Executive of World Nomads Group, a leading global provider of travel insurance which was sold to nib Health in mid-2015. Stewart was a Director of Grant Samuel, a boutique corporate advisory group from 1997 to 2008 and advised on a wide range of mergers, capital raising and acquisitions. He started his career as a lawyer with Corrs Chambers Westgarth.
Special responsibilities:	Chair of Audit, Risk and Governance Committee from 12 March 2025.

Directors' Report (Continued)



Name:	Loyd Perin
Position:	Non-Executive Director
Qualifications:	B.Ec.; LLB
Experience:	Loyd has been involved with Village since its inception in 1988. Loyd has worked in the Australian National Audit Office and the Commonwealth Attorney General's Department. He held the position of General Counsel and Investigations Operations Manager for the ACT Regional Office of the Australian Securities Commission the forerunner of the current Australian Securities and Investments Commission. He was Managing Director of the Lidia Perin Memorial Hospital. Loyd's investment entities held commercial and industrial property in the ACT and Queanbeyan Region and currently holds Australian listed securities. His present property investment activities now focus on the industrial and residential sectors.
Special responsibilities:	Chair of Audit, Risk and Governance Committee (to 12 March 2025).



Name:	Robert (Bob) Winnel AM
Position:	Non-Executive Director, Founder, Retired Managing Director
Qualifications:	B.A.; Dip. Ed.; Dip. Ed. Admin
Experience:	Bob formed Village, at that time MBA Land, in 1988, and held the position of Managing Director and CEO until his retirement on 30 June 2016, after 28 years. Bob spent his first 10 years of employment in the NSW and Commonwealth Public Services, before starting his own development company in 1976. Bob has held various ACT private sector representative positions and ACT Government advisory committee roles. Prior to forming Village, he built 800 homes in the ACT, and was Chief Executive of the MBA ACT during the builders' labourers deregistration. He is past President and a life member of the MBA ACT. He is also a life member of the UDIA NSW.
Special responsibilities:	Member of the Acquisition Policy and Funding Committee, member of the Remuneration Committee, Member of the Village Housing and Argyle Building Boards and Chairman of the Board of The Big Banana Group Limited.

Directors' Report (Continued)



Executive Team



Name:	Vince Whiteside
Position:	Chief Executive Officer
Qualifications:	B.Fin. Admin.; FCPA; CFTP(Snr); GAICD
Experience:	Vince has nearly 44 years' experience in financial roles with large companies across a range of industries including manufacturing, heavy engineering, retailing, aviation and property development. He has been a senior executive with Village for 32 years mainly in the position of Chief Financial Officer and Company Secretary. During his tenure as Chief Financial Officer, Vince had a significant focus on developing and expanding shareholder and investor relationships, the capital structuring of the Group including the syndication of new projects and shaping the strategic direction of the Group. In August 2021, Vince was appointed as Chief Executive Officer after holding the position of Deputy Chief Executive Officer for 12 months. Vince is a responsible manager under Village's Australian Financial Services Licence.



Name:	Rob Fisher
Position:	Chief Financial Officer (and Deputy Chief Executive Officer from 1 July 2025)
Qualifications:	B.Ec, B.Comm, M.App. Tax, FCA, GAICD
Experience:	Rob joined Village as the Chief Financial Officer in August 2021. Since qualifying as a Chartered Accountant with Ernst & Young in 2002, he has pursued a career in commercial financial management in Australia and overseas. Rob has worked in public and private companies in the software, land development, and renewable energy industries. He has particular expertise in financial reporting, project and corporate finance, tax and financial modelling. Rob is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a responsible manager under Village's Australian Financial Services Licence. Rob is a Director of The Big Banana Group Limited and a member of the ACT Energy Innovation Fund's Advisory Board.

Directors' Report (Continued)

Company secretaries

Three individuals held the position of Company Secretary of the Company throughout the year. These individuals were Albert Dabas, Vince Whiteside and Rob Fisher.

The qualifications and experience are shown within the Directors and Executive Team sections of this report.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Directors' Meetings	Audit, Risk and Governance	Remuner- ation	Acquisition Policy and Funding	Project and Cost Advisory Group
Number of Meetings held:	10	3	2	3	3
Number of Meetings attended:					
John V. McCarthy AO	10	3	2	–	–
Geoff Applebee (resigned 19 November 2024)	5	1	–	–	–
Albert Dabas	10	3	1	3	3
Michael De Simone	10	–	2	3	3
Stewart Hindmarsh (joined the ARGC on 19 November 2024)	10	1	1	–	2
Loyd Perin	10	3	1	–	–
Robert Winnel AM	10	–	2	3	3

Directors are invited to participate in any Committee meeting as an attendee.

Principal activities

The principal activities during the year of entities within the Group were:

- the acquisition, subdivision, development, construction and sale of residential, commercial and industrial property;
- the provision of project and development management services;
- the provision of sales and marketing services; and
- operation of a tourism park.

There have been no significant changes in the nature of these activities during the year, other than the change in ownership of The Big Banana Group Limited.

Directors' Report (Continued)



South Jerrabomberra, Town Park and Community Centre.

Dividends

Dividends paid or provided for during the financial year were as follows:

	Consolidated	
	2025 \$'000	2024 \$'000
Interim dividend for the year ended 30 June 2025 of 4.0 cents per ordinary share (2024: 6.0 cents)	2,446	3,265
Final dividend for the year ended 30 June 2024 of 9.0 cents per ordinary share (2023: 8.0 cents)	5,244	4,265
Dividend for the year ended 30 June 2025 of 11.2 cents per convertible redeemable preference share (CRPS-1) (2024: 11.2 cents)	451	501
Dividend for the year ended 30 June 2025 of 12.6 cents per convertible redeemable preference share (CRPS-2) (2024: 12.6 cents)	1,326	1,415
Equal Access Buyback for the year ended 30 June 2025 of 0.36 cents per A Class ordinary share (2024: 0 cents)	247	–
Equal Access Buyback for the year ended 30 June 2025 of 0.37 cents per B Class ordinary share (2024: 0 cents)	41	–
	9,755	9,446

Directors' Report (Continued)

Operating and Financial Review

The profit for the Group after providing for income tax amounted to \$8.4 million (2024: \$19.2 million).

The profit for the Group before providing for income tax amounted to \$11.7 million (2024: \$23.7 million). The share of the consolidated pre-tax result attributable to the owners of the Village Building Co. is \$8.9 million (2024: \$17.8 million).

The Board of Directors of the Company approved the sale of The Big Banana Group Limited, a partially owned subsidiary, on 30 May 2024 in order to redeploy capital to the Group's core business of land development. The group is party to a binding agreement with the sale of The Big Banana Group Limited expected to be completed by 30 June 2026. The gain attributable to the disposal for the year ending 30 June 2025 is \$5.5 million. Of this amount \$2.6 million relates to the revaluation of the remaining shares held at 30 June 2025 to their ultimate selling price. Refer to note 6 for more information.

The Group achieved 185 settlements (2024: 252 settlements) during the year equating to gross revenue of \$93.2 million (2024: \$143.8 million) across its projects under management.

The Group experienced no lost time injuries across over 228,430 hours worked during the year.

Future pipeline

Village's diversified land bank is strategically located along the key growth corridors of the ACT Region and South-East Queensland. The diversity of location and product type allows the Group to manage variable market conditions in different locations.

As at 30 June 2025, there were 50 exchanged contracts on hand with a gross revenue value of \$39.0 million.

Our Projects

South Jerrabomberra, NSW

Project overview

Situated just south-west of Queanbeyan, South Jerrabomberra is fulfilling its potential as one of the most exciting developments in the ACT region. The development will ultimately be home to 4,000 residents across 1,500 homes, with 23 hectares of amenity including a Town Park, Lifestyle and Dog Park, environmental stewardship site, landscaped ponds, and walking trails. A significant Town Centre will also be constructed including retail and dining, along with commercial and light industrial employment opportunities.



Town Park





Village
ownership

68.57%

Acquired
2002

Residential yield
1,500

Built form yield
137+

Commercial yield
43.2 ha

Settled to 30 June 2025
736 residential lots;
23.5 ha commercial

Remaining life
6-7 years (expected
completion date –
31 December 2032)

Village % ownership
68.57%

Project progress 2025

South Jerrabomberra has been a hive of activity over the last 12 months. Major developments include settlements continuing across Stage 2A and 2C and the construction of the first part of Stage 2B. On top of the residential sales, settlement of our final holding in North Tralee occurred in May 25. Significant progress has been made on the Town Centre and commercial opportunities, with the receipt of development approval for the Town Centre in December 2024 and the first commercial lot contract of sale (for a childcare centre) exchanging in June 2025.

Outlook for 2026

2026 is expected to see construction commence on the Town Centre, along with the opening of the Town Park, Community Centre, and Lifestyle Park. There will continue to be major investment in roads and services to both the residential and commercial zones. These include the extension of the main entrance road, Environa Drive, further south to accommodate the continued Estate 2 residential build.

Delivery of townhouses by Village Housing is also anticipated to commence across multiple blocks providing the project with a diverse range of housing opportunities for purchasers. Planning will continue to secure development approvals for future stages to facilitate the delivery pipeline for future years.

Our Projects (Continued)



Woodlinks Village, Collingwood Park, QLD

Project overview

Woodlinks Village is a master planned community located in Collingwood Park QLD. Collingwood Park is approximately 30 kilometres from the Brisbane CBD and 11 kilometres from the major centre of Springfield. Woodlinks Village is proximate to major road connections and public transport nodes giving residents great access to major employment, health, lifestyle and education opportunities. Consequently, Collingwood Park has become increasingly popular with young families seeking a more affordable offering in the greater Brisbane market. Our offering includes both land options and completed homes.

Village
ownership

74.02%



Acquired
April 2015

**Residential yield
(total lots)**
930 Lots

**Homes built to date –
complete to 30 June 2025**
172 Lots

**Homes built to date –
complete and under
construction to
30 June 2025**
210 Lots

Commercial yield
1 child care centre site
1 commercial site (fast food
and service station)

Settled to 30 June 2025
634 residential lots,
1 child care centre and
1 commercial site

Remaining life
4-5 years (expected
completion date –
30 June 2029)

Village % ownership
74.02%

Project progress 2025

Construction activity remained steady across FY25. Civil works were completed on 116 lots spanning three stages, while housing construction was equally active with 45 homes handed over to purchasers.

A significant milestone was the completion of a major external intersection upgrade, providing a third road connection into the estate.

Favourable market conditions supported strong sales performance resulting in a robust pipeline of 44 pre-sales being carried into FY26. To date, 634 settlements have been achieved, with 94 of these occurring in FY25.

Outlook for 2026 and beyond

FY26 is expected to see construction activity continue throughout the year, with ongoing delivery of new lots, progressive handovers of completed homes, and the upgrade of the original entry to a signalised intersection. Detailed design work will advance alongside the procurement of necessary construction approvals from relevant authorities to maintain the delivery pipeline.

In addition, amendments to existing development approvals over the Six Mile Creek land will be pursued to enable higher yields through smaller lot configurations. This approach aims to better align the product offering with market demand for more affordable housing options.

Woodlinks, showing bulk earthworks under way for Stages 25-27 and the commercial site.



Our Projects (Continued)

The Realm Austral 5, Sydney NSW

Acquired	March 2022
Residential yield (total lots)	26 dwellings
Settled to 30 June 2025	22 dwellings
Remaining life	2-3 years (expected completion date – 31 December 2027)
Village % ownership	100%

Project overview

The Realm Austral 5 is the residential development of a 3-acre property at 145 Twelfth Avenue, Austral. It is near the Company's other recent residential developments in Austral.

Project progress 2025

The last two available lots at Austral 5 settled in July 2024.

Outlook for 2026 and beyond

Sydney Water is not scheduled to provide a permanent sewer connection until 2026. Four lots have been held off the market until this occurs, and are expected to be sold and settled in FY27. The Realm Austral 5, Sydney NSW.

Project overview

Fetherston is an attractive, elevated mixed use site located on the site of the former Australian Federal Police Training College in Weston, an inner suburb of Canberra. It is currently approved for the development of 337 townhouses and apartments along with a variety of other uses. During the 2025 financial year Village acquired most of the minority interests in the project syndicate and now owns 96.33% of the project.

Project progress 2025

During 2024 the Company submitted an application to subdivide the site into four lots, including an aged care site, childcare site and health precinct. By subdividing these commercial sites and selling them as land lots the project will realise substantial revenue earlier than would be possible under a purely residential strategy. Design development and community consultation relating to the construction of 168 townhouses on the remaining lot progressed during 2025.

Outlook for 2026 and beyond

The subdivision DA and lease variation DA were approved in July 25 and August 25 respectively. This has resulted in preliminary civil works commencing to service the aged care site, childcare site and health precinct. A development application for the development of 168 townhouses will be lodged in early FY26. These townhouses will be released to the market in FY26.

Fetherston, Weston, ACT

Acquired	November 2017
Residential yield (total lots)	168 dwellings
Built form yield	168 dwellings (townhouses)
Commercial yield	21,539m ² – aged care site, childcare site and health precinct
Status at 30 June 2025	Subdivision and lease variation DA submitted Built form DA in progress
Remaining life (townhouses)	4-5 years (expected completion date – 30 June 2029)
Village % ownership	96.33%

Rutledge St, Queanbeyan NSW

Acquired	March 2022
Residential yield (total apartments)	178 dwellings (current DA)
Built form yield (specs and split)	178 dwellings (apartments) (current DA)
Commercial yield	1,852m ²
Status at 30 June 2025	DA approved
Remaining life	4-5 years (expected completion date – April 2030)
Village % ownership	100%

Project overview

Rutledge Street is an apartment site located in central Queanbeyan on the site of former council offices. Village acquired the site in March 2022 with settlement occurring in November 2024. A development application for the development of 178 residential units, 2 basement levels and ground floor commercial units was formally lodged in January 2023 and approved in November 2024. Village is working to further optimise the yield, constructability and contractual structure for the project.

Trilogy Place at South Morang, Melbourne, VIC

Acquired	2017
Residential yield	242
Built form yield	242
Settled to 30 June 2025	242
Remaining life	Project complete
Village % ownership	37.92%

Project overview

Located in South Morang, 25kms northeast of the Melbourne CBD, Trilogy Place is a townhome development comprising 242 dwellings.

Conveniently situated opposite the Westfield Plenty Valley Shopping Centre, the surrounding neighbourhood is well serviced with public transport, schools, a well-connected arterial road network, health care and employment centres.

Project progress FY25

Trilogy Place sold out in the first quarter of FY25 and construction was completed during the year. Village has now exited the Melbourne market.

Trilogy at South Morang.



Talpa Estate, Googong NSW

Joint venture start date	2002
Residential yield (total lots)	51 dwellings (current DA)
Status at 30 June 2025	DA approved
Remaining life	2-3 years (expected completion date – December 2027)
Village % ownership	40%

Project overview

Talpa Estate is situated north of Googong, NSW and only a 25 minute drive from Canberra CBD. Stage 1 consists of 51 residential lots ranging in size from 1,002m² to 1,790m² each offering sweeping views over the adjoining conservation land. Talpa Estate is uniquely positioned to take advantage of the existing and planned amenities in Googong along with the lifestyle opportunities offered by the proximity to the Googong Foreshore.

Stage 1A of Talpa Estate will commence construction in the first quarter of FY 2026 with completion expected by June 2026. Stage 1B is expected to commence and complete construction in FY 2027.

The preparation of reports and documentation to inform a rezoning over Stage 2 of the land will continue in FY 2026 with the lodgement of a planning proposal expected by June 2026.

Tallagandra, NSW

The Company has acquired 600ha of rural land across the ACT Border to the North which we have named Tallagandra.

The Tallagandra Development is located 15km from the Canberra CBD, and is undergoing a rezoning process which is intended to produce a mix of residential, commercial and agricultural development.

Avon, Murrumbateman NSW

The Company has acquired 300ha of rural land, known as Avon, located approximately 5km from the Murrumbateman Town Centre in the Yass Valley. The Avon Development will undergo a rezoning to deliver large lot residential properties of varying sizes and accompanying community infrastructure.

Waraba, Caboolture West QLD

The Company has exchanged contracts on a 68ha landholding in the Waraba Priority Development Area to the north of Brisbane, with potential for more than 1,000 homes. The land is located in an area which has been identified for major urban growth in order to significantly contribute to the housing supply for the City of Moreton Bay. The site's development is reliant on the delivery of major downstream infrastructure by authorities and other developers, which is anticipated to take another five years.

Directors' Report (Continued)

Significant changes in the state of affairs

With the completion of Trilogy Place in June 2025 the Board made the strategic decision to exit the Melbourne market. All costs associated with this decision, including the cost of redundancies, were recognised in 2025.

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

Significant events after the balance date

No matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to deliver its existing projects and complete the purchase of committed new and expansion sites in the next financial year. Development work on these sites will commence and is expected to last for a number of years into the future.

The Group is presently investigating a number of other potential acquisitions outside of the ACT Region but has not yet made a commitment to any of these projects.

Environmental regulation

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Group is committed to achieving a high standard of environmental performance and undertakes an environmental due diligence and risk assessment of all properties it acquires. Further, compliance with environmental regulations is monitored on a regular basis.

Indemnity and insurance of officers

The Company has agreed to indemnify the directors and executive officers of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Directors' Report (Continued)

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount), other than a loss arising from Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during the financial year ended 30 June 2025 and up to the date of this report.

Rounding of amounts

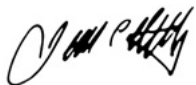
Amounts in this report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$'000) under the option available to the Company under ASIC Corporations (Rounding in Financial /Director's Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Auditor's independence declaration

The directors received an independence declaration from the auditors of the Company which is printed on the following page.

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

On behalf of the directors



John V. McCarthy AO
Chairman

23 September 2025
Canberra

Auditor's Independence Declaration

to the directors of The Village Building Co. Limited and its controlled entities



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Auditor's independence declaration to the directors of The Village Building Co. Limited and its controlled entities.

As lead auditor for the audit of the financial report of The Village Building Co. Limited and its controlled entities for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Village Building Co. Limited and the entities it controlled during the financial year.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is positioned above the printed name of the auditor.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Anthony Ewan', is positioned above the printed name of the auditor.

Anthony Ewan
Partner
23 September 2025

Consolidated Income Statement

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue – Land, house & land and units	2	93,239	143,788
Revenue – Project management	2	32	448
Cost of sales	3	(66,886)	(99,621)
Gross profit		26,385	44,615
Gain on disposal of subsidiary	2	2,940	–
Fair value gain on remeasurement of investment	2	2,592	–
Fair value gain on sale of investment property	2	–	355
Expenses			
Project management expenses	4	(16,363)	(17,558)
Administration expenses	4	(2,911)	(2,947)
		(19,274)	(20,505)
Operating profit		12,643	24,465
Finance income	5	3,128	4,954
Finance costs	5	(7,596)	(8,186)
Net finance costs		(4,468)	(3,232)
Share of loss from joint venture		(54)	(123)
Other income	2	1,386	483
Profit before tax from continuing operations		9,507	21,593
Profit before tax for the year from discontinued operations	6	2,196	2,131
Income tax expense from continuing operations	7	(2,666)	(3,848)
Income tax expense from discontinued operations	6,7	(676)	(662)
Profit after tax for the year from continuing operations		6,841	17,745
Profit after tax for the year from discontinued operations	6	1,520	1,469
Other comprehensive income for the year, net of tax		–	–
Profit for the year		8,361	19,214
Profit for the year is attributable to:			
Owners of The Village Building Co. Limited		5,961	13,460
Non-controlling interests		2,400	5,754
		8,361	19,214
Total comprehensive income for the year is attributable to:			
Owners of The Village Building Co. Limited		5,961	13,460
Non-controlling interests		2,400	5,754
		8,361	19,214

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and short-term deposits	8	48,864	75,046
Receivables	10	2,450	3,328
Inventories	11	69,955	74,923
Income tax receivable		755	-
Equity accounted investment	12	2,591	-
Prepayments		751	1,012
		125,366	154,309
Asset held for sale	6	-	22,312
Total current assets		125,366	176,621
Non-current assets			
Inventories	11	200,492	178,616
Equity accounted investment	12	822	756
Property, plant and equipment	13	1,174	1,709
Intangible assets	14	24	14
Right-of-use assets	15	2,336	180
Other financial assets		273	286
Total non-current assets		205,121	181,561
Total assets		330,487	358,182
Liabilities			
Current liabilities			
Payables	16	10,274	16,186
Income tax payable		-	6,659
Borrowings	17	112,673	136,762
Provisions	18	1,636	1,479
Lease liabilities	15	269	60
		124,852	161,146
Liabilities directly associated with the assets held for sale	6	-	6,707
Total current liabilities		124,852	167,853
Non-current liabilities			
Borrowings	17	68,957	45,264
Provisions	18	189	107
Lease liabilities	15	2,010	125
Deferred tax liabilities	7	6,773	4,205
Total non-current liabilities		77,929	49,701
Total liabilities		202,781	217,554
Net assets		127,706	140,628
Equity			
Issued capital	19	55,325	47,753
Reserves	20	4,590	5,377
Retained earnings		38,703	42,182
Equity attributable to the Owners of The Village Building Co. Limited		98,618	95,312
Non-controlling interests		29,088	45,316
Total equity		127,706	140,628

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

Note	19	20	22		
	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	44,661	5,377	35,306	53,010	138,354
Profit after tax for the year	-	-	13,460	5,754	19,214
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	13,460	5,754	19,214
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	590	-	-	-	590
Employee share scheme	188	-	-	-	188
Sale of The Big Banana Group Limited	-	-	2,862	2,981	5,843
Return of capital to non-controlling interest	-	-	-	(15,508)	(15,508)
Dividend reinvestment	2,314	-	-	-	2,314
Dividends paid	-	-	(9,446)	(282)	(9,728)
Dividends payable	-	-	-	(639)	(639)
Balance at 30 June 2024	47,753	5,377	42,182	45,316	140,628
Note	19	20	22		
	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	47,753	5,377	42,182	45,316	140,628
Profit after tax for the year	-	-	5,961	2,400	8,361
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	5,961	2,400	8,361
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	4,689	-	-	-	4,689
Conversion of CRPS to ordinary shares	2,291	(784)	-	-	1,507
Redemption of CRPS	-	(3)	-	-	(3)
Buy back of employee shares	(119)	-	-	-	(119)
Other	-	-	315	-	315
Loss of control of subsidiary	-	-	-	(8,722)	(8,722)
Return of capital to non-controlling interest	-	-	-	(7,248)	(7,248)
Dividend reinvestment	1,423	-	-	-	1,423
Share buy back	(712)	-	-	-	(712)
Dividends paid	-	-	(9,755)	(2,658)	(12,413)
Balance at 30 June 2025	55,325	4,590	38,703	29,088	127,706

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from/(used in) operating activities			
Receipts from customers		114,421	169,576
Payments to suppliers and employees		(37,416)	(37,087)
Purchase of land for development		(12,739)	(7,995)
Payments to suppliers for development inventory		(67,733)	(88,987)
Dividend income		27	383
Interest received		2,067	1,400
Interest paid		(14,898)	(15,452)
Income tax paid		(8,489)	(4,836)
Net cash from/(used in) operating activities	9	(24,760)	17,002
Cash flows from/(used in) investing activities			
Payments for property, plant and equipment	13	(5,517)	(2,665)
Proceeds from disposal of property, plant and equipment		1,492	52
Proceeds from disposal of investments		-	5
Proceeds from disposal of investment property		-	43,800
Payments for development of investment property		-	(2,526)
Net proceeds from the sale of The Big Banana Group Limited shares	6	9,918	-
Investment in joint venture		90	(44)
Net cash from/(used in) investing activities		5,983	38,622
Cash flows (used in)/from financing activities			
Proceeds from borrowings		48,693	91,600
Repayment of borrowings		(50,310)	(101,177)
Principal elements of lease payments	15	(206)	(142)
Proceeds from issue of shares		5,280	3,092
Dividends paid – convertible redeemable preference shares		(1,777)	(1,916)
Dividends paid – ordinary shares		(7,690)	(7,530)
Dividends paid – equal access buyback		(288)	-
Dividends paid – non-controlling interest (The Big Banana Group Limited)		(639)	(282)
Contributions from non-controlling interest		2,935	-
Sale of The Big Banana Group Limited shares	23	-	5,843
Return of capital to non-controlling interest		(7,646)	(15,508)
Profit distributions to non-controlling interest		(2,165)	-
Net cash (used in)/from financing activities		(13,813)	(26,020)
Net increase/(decrease) in cash and short-term deposits		(32,590)	29,604
Cash and short-term deposits at the beginning of the financial year		81,454	51,850
Cash and short-term deposits at the end of the financial year	8	48,864	81,454

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

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Note 1. Reporting entity

The financial report covers the consolidated financial statements for The Village Building Co. Limited (the 'Company' or 'parent entity') and the entities it controls (collectively referred to as the 'Group') and were authorised for issue, in accordance with a resolution of directors, on 23 September 2025.

The Company is a for-profit unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Suite 1, Level 4, 14 Childers Street, Canberra City ACT 2601.

The nature of the Group's operations and its principal activities are described in the Directors' Report.

Notes to the Consolidated Financial Statements (Continued)

Note 2. Revenue

	2025 \$'000	2024 \$'000
Customer contract revenues		
Land, house & land and units	93,239	143,788
Project management	32	448
Gains		
Gain on disposal of subsidiary	2,940	–
Fair value gain on remeasurement of investment	2,592	–
Fair value gain on sale of investment property	–	355
Other income		
Rental income	94	5
Dividend income	732	383
Other	560	95
Total Other Income	1,386	483

To the extent the Group has contract assets and liabilities, they are detailed in notes 10 and 16.

Accounting for revenue recognition

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue is recognised at an amount that reflects the consideration that the Group is expected to be entitled to in exchange for transferring goods or services to a customer.

Revenue from contracts with customers

Most of the revenue recognised by the Group relates to sales generated from contracts with customers for construction services or the sale of land, house and land packages or units. In accounting for these contracts, the Group recognises revenue at an amount that reflects the consideration to which it expects to be entitled in exchange for goods or services.

For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price;
- allocates the transaction price to the performance obligations in the contract; and
- recognises revenue when (or as) each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue is recognised when or as each performance obligation is satisfied, at the amount of the transaction price allocated to that performance obligation. Control of an asset refers to the ability to direct the use of and obtain substantially all the remaining benefits from the asset. When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable. When an amount of consideration is received from a customer prior to the Group transferring a good or service to the customer, the Group presents the contract as a contract liability.

Notes to the Consolidated Financial Statements (Continued)

The main streams of revenue are recognised if they meet the criteria outlined below:

(i) Sale of property

Revenue from the sale of land, house & land packages and units are assessed to have a number of performance obligations being the provision of finished dwellings, land and/or finishes. The Group satisfies each of these performance obligations at the point in time when control of land, house & land or unit (as appropriate) has transferred to the customer, which is at legal settlement of the sale.

(ii) Construction services

Construction of a dwelling is deemed to represent a single performance obligation to the customer, which is a performance obligation satisfied over time. The performance obligation is satisfied progressively over the construction period, with the Group's performance being measured using the 'output method', by reference to progress billings that have been deemed to accurately reflect the progress towards complete satisfaction of the performance obligation.

(iii) Gains

Gains include fair value gains on investment property as well as gains on the sale of assets.

Gains on sale of assets relate to the gain recognised on loss of control of The Big Banana Group Limited.

(iv) Rental income

Rental income is recognised on a straight-line basis over the lease term.

(v) Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

Note 3. Cost of sales

	2025 \$'000	2024 \$'000
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales – development	66,886	99,621
Total cost of sales	66,886	99,621

Notes to the Consolidated Financial Statements (Continued)

Note 4. Expenses

	2025 \$'000	2024 \$'000
Profit before income tax includes the following specific expenses:		
<i>Project management expenses</i>		
Employee benefits expense	9,536	8,828
Marketing expense	2,956	4,603
Direct project costs	1,700	1,756
Office administration	1,200	1,073
Other	971	1,298
Total project management expenses	16,363	17,558
<i>Administration expenses</i>		
Insurance expense	949	879
Employee benefits expense	720	727
Depreciation and amortisation expense	417	402
Auditor's remuneration (refer note 25)	383	374
Office administration	52	52
Other	390	513
Total administration expenses	2,911	2,947

Note 5. Net finance costs

	2025 \$'000	2024 \$'000
<i>Finance income</i>		
Interest income	1,947	1,108
Re-measurement of debt component – convertible redeemable preference shares	1,181	3,846
Total finance income	3,128	4,954
<i>Finance costs</i>		
Interest expense – bank financing	(8,877)	(9,010)
Interest expense – secured notes	(6,027)	(6,439)
Interest expense – convertible redeemable preference shares	(1,500)	(1,731)
Interest expense – leases	(63)	(10)
	(16,467)	(17,190)
Finance costs capitalised	8,871	9,004
Total finance costs	(7,596)	(8,186)
Net finance costs	(4,468)	(3,232)

Accounting for finance income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to the Consolidated Financial Statements (Continued)

Accounting for finance costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised (refer to note 11) during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period they are incurred. Refer to note 17 for further information on the treatment of the convertible redeemable preference shares.

Re-presentation of comparative information

Comparative information relating to the 2024 financial year has been re-presented in this financial report to enhance inter-period comparability. Capitalised interest totalling \$6.9 million was previously offset against Interest Expense in note 5. These items are now presented separately. In the Cashflow statement the same amount has been re-classified from Payments to Suppliers for Development Inventory to Interest Paid.

Note 6. Discontinued operations

At a General Meeting on 30 May 2024 Shareholders approved the sale of The Big Banana Group Limited, a partially owned subsidiary, in order to redeploy capital to the Group's core business of land development. The group is party to a binding agreement with the sale of The Big Banana Group Limited expected to be completed by 30 June 2026.

The sale of The Big Banana Group Limited will be completed in three tranches, with the first having already occurred on 28 June 2024. This resulted in the controlling ownership reducing from 74.45% to 52.26%. The second tranche occurred on 26 June 2025, resulting in the controlling ownership reducing from 52.26% to 9.76%. The third tranche is expected to occur on or before 26 June 2026 resulting in the Group's ownership reducing to nil.

At 30 June 2024, The Big Banana Group Limited was classified as a disposal group held for sale and as a discontinued operation. This classification continued until 26 June 2025, at which time the Group no longer held a controlling interest in The Big Banana Group Limited.

At 30 June 2025, The Big Banana Group Limited was classified as an equity accounted associate.

The major classes of accounts of The Big Banana Group Limited classified as discontinued operations are as follows:

	26 June 2025 \$'000	30 June 2024 \$'000
Revenue – Trading Income – Retail Sales	12,631	11,805
Cost of sales	(1,925)	(1,928)
Gross profit	10,706	9,877
<i>Expenses</i>		
Project management expenses	(454)	(299)
Administration expenses	(8,107)	(7,632)
	(8,561)	(7,931)
Operating profit	2,145	1,946
Finance income	120	292
Finance costs	(348)	(395)
Net finance costs	(228)	(103)
Other income	279	288
Profit before tax	2,196	2,131
Income tax expense	(676)	(662)
Profit after tax for the year	1,520	1,469
Other comprehensive income for the year, net of tax	–	–
Profit for the year	1,520	1,469

Notes to the Consolidated Financial Statements (Continued)

	26 June 2025 \$'000	30 June 2024 \$'000
Assets		
Cash and short-term deposits	–	6,408
Receivables	–	(1,789)
Inventory	–	769
Prepayment	–	343
Property, plant and equipment	–	16,581
Assets held for sale	–	22,312
Liabilities		
Payables	–	605
Income tax payable	–	386
Borrowings	–	4,450
Provisions	–	139
Dividends payable	–	639
Deferred tax liability	–	488
Liabilities directly associated with assets held for sale	–	6,707
Net assets directly associated with disposal group	–	15,605

Equity accounted associate

	June 2025 \$'000	June 2024 \$'000
The Big Banana Group Limited shares	2,591	–
	2,591	–

Disposal of subsidiary and business

	Total \$'000
Cash consideration on the disposal of subsidiary and business	11,166
Net cash in disposal of subsidiary and business	(1,248)
Net inflow from disposal of subsidiary and business	9,918

Notes to the Consolidated Financial Statements (Continued)

Note 7. Income tax

(i) Income tax expense

	2025 \$'000	2024 \$'000
The major components of tax expense are:		
<i>Income tax expense</i>		
Current tax:		
Current income tax charge	97	11,607
	97	11,607
Deferred tax:		
Relating to origination and reversal of temporary differences	2,569	(7,759)
	2,569	(7,759)
Income tax expense reported in the income statement	2,666	3,848
<i>Tax reconciliation</i>		
Reconciliation of tax expense and the accounting profit at the statutory tax rate is:		
Accounting profit before tax from continuing operations	9,507	21,593
Accounting profit before tax from a discontinued operation	2,196	2,131
Accounting profit before income tax	11,703	23,724
Tax at the statutory tax rate of 30% (2024: 30%)	3,511	7,117
Tax effect amounts which are not assessable or deductible:		
Differences arising from elimination of intergroup trading of controlled entities for accounting purposes that is not eliminated for tax purposes and other non-allowable items	3	(1,153)
	3,514	5,964
Adjustment recognised for prior periods:		
De-recognition of previously unrecognised temporary differences	(172)	(1,454)
Income tax expense	3,342	4,510
Income tax expense reported in the statement of profit or loss	2,666	3,848
Income tax expense attributable to a discontinued operation	676	662
	3,342	4,510

Notes to the Consolidated Financial Statements (Continued)

(ii) Movement in deferred tax balances

2025 \$'000	Net balance at 1 July	Charged to profit or loss	Discontinued operations (note 6)	Net balance at 30 June	Deferred tax assets	Deferred tax liabilities
Parent's share of Syndicate accrued revenue assessable on settlement*	(4,535)	(1,209)	–	(5,744)	–	(5,744)
Interest, borrowing and holding costs capitalised to inventories	(5,889)	(1,558)	–	(7,447)	–	(7,447)
Timing differences relating to tax cost base of inventory	1,499	(264)	–	1,235	1,235	–
Accrued expense deductible when paid	1,315	91	–	1,406	1,406	–
Parent's share of Syndicate deferred tax balances	3,099	1,100	–	4,199	4,260	(61)
Others	(182)	(240)	–	(422)	32	(454)
Deferred tax assets/ (liabilities) before set-off	(4,693)	(2,080)	–	(6,773)	6,933	(13,706)
Set-off of deferred tax	–	–	–	–	(6,933)	6,933
Net deferred tax liabilities	(4,693)	(2,080)	–	(6,773)	–	(6,773)
Reflected in the Balance Sheet as follows:						
Deferred tax liabilities:						
Continuing operations	(4,205)			(6,773)		
Discontinued operations	(488)			–		
	(4,693)			(6,773)		
Net deferred tax liabilities	(4,693)			(6,773)		

* These deferred tax balances relate to temporary differences arising from partly-owned subsidiaries that sit outside of the tax consolidated group trading with entities within the tax consolidated group. The Group has accumulated the Parent's share of the deferred tax balances. The internal trading is eliminated for financial reporting purposes in the Group accounts, however the temporary differences exist in the tax profile of the associates and therefore have been disclosed by the Group.

Notes to the Consolidated Financial Statements (Continued)

2024 \$'000	Net balance at 1 July	Charged to profit or loss	Discontinued operations (note 6)	Net balance at 30 June	Deferred tax assets	Deferred tax liabilities
Parent's share of Syndicate accrued revenue assessable on settlement*	(11,427)	6,892	–	(4,535)	–	(4,535)
Interest, borrowing and holding costs capitalised to inventories	(4,419)	(1,470)	–	(5,889)	–	(5,889)
Timing differences relating to tax cost base of inventory	1,644	(194)	49	1,499	1,983	(484)
Investment property valuation	(160)	160	–	–	–	–
Accrued expense deductible when paid	1,017	220	78	1,315	1,315	–
Parent's share of Syndicate deferred tax balances	2,213	886	–	3,099	3,164	(65)
Others	(832)	1,265	(615)	(182)	1,527	(1,709)
Deferred tax assets/ (liabilities) before set-off	(11,964)	7,759	(488)	(4,693)	7,989	(12,682)
Set-off of deferred tax	–	–	–	–	(7,989)	7,989
Net deferred tax liabilities	(11,964)	7,759	(488)	(4,693)	–	(4,693)
Reflected in the Balance Sheet as follows:						
Deferred tax liabilities:	(11,964)			(4,205)		
Continuing operations	(572)			(488)		
Discontinued operations	(12,536)			(4,693)		
Net deferred tax liabilities	(12,536)			(4,693)		

* These deferred tax balances relate to temporary differences arising from partly-owned subsidiaries that sit outside of the tax consolidated group trading with entities within the tax consolidated group. The Group has accumulated the Parent's share of the deferred tax balances. The internal trading is eliminated for financial reporting purposes in the Group accounts however, the temporary differences exist in the tax profile of the associates and therefore have been disclosed by the Group.

(iii) Franking credits

	2025 \$'000	2024 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	8,885	11,264

The franking credit balance represents the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Notes to the Consolidated Financial Statements (Continued)

Accounting for tax

Current taxes

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidated group

The Village Building Co. Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group ('tax group') under the tax consolidation regime. Each entity in the tax group continues to account for their own current and deferred tax amounts. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements are recognised as amounts receivable from or payable to other entities in the tax group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Notes to the Consolidated Financial Statements (Continued)

Note 8. Cash and short-term deposits

	2025 \$'000	2024 \$'000
Cash at bank and on hand	27,657	45,751
Short-term deposits	21,207	35,703
Cash and short-term deposits	48,864	81,454
Cash at bank and on hand attributable to discontinued operations	–	(6,408)
	48,864	75,046

Accounting for cash and short-term deposits

Cash and short-term deposits in the consolidated balance sheet comprise cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily interest rates. Short-term deposits are for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Note 9. Reconciliation of cash flow from operating activities

	2025 \$'000	2024 \$'000
Profit before income tax	11,703	23,724
Adjustments for:		
CRPS interest expense	1,500	1,731
Depreciation and amortisation	1,183	1,067
Share of loss from joint venture	54	123
Unrealised loss on other financial assets	13	33
Fair Value remeasurement	–	(355)
Net loss on modification of lease	(2)	(5)
Accrued project management fees	(21)	(448)
Net gain on disposal of property, plant, and equipment	(451)	(12)
Dividend declared not paid	(705)	–
CRPS remeasurement	(1,181)	(3,846)
Fair value gain on remeasurement of investment	(2,592)	–
Gain on disposal of subsidiary	(2,940)	–
Income tax paid	(8,489)	(4,837)
Change in operating assets and liabilities:		
Decrease in investments	–	126
(Increase)/decrease in receivables	(1,089)	706
Increase in inventories	(16,139)	(2,129)
Decrease in prepayments	599	477
(Decrease)/Increase in payables	(6,303)	414
Increase in provisions	100	233
Net cash (used in)/from operating activities	(24,760)	17,002

* Due to the removal of The Big Banana Group Limited the movement in assets and liabilities does not line up to the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements (Continued)

Note 10. Receivables

	2025 \$'000	2024 \$'000
Trade receivables	482	143
Other receivables	1,968	1,396
	2,450	1,539
Trade receivables attributable to discontinued operations	–	1,789
	2,450	3,328

Impairment of receivables

The Group has not recognised any allowance for expected credit losses on any customer contract receivables nor any other receivables during the years ended 30 June 2025 and 30 June 2024.

Accounting for impairment

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit and loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs for loans are recognised in two stages. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting for receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the balance date which are classified as non-current assets.

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit loss.

Notes to the Consolidated Financial Statements (Continued)

Note 11. Inventories

	2025 \$'000	2024 \$'000
Development inventory	246,791	235,714
Capitalised finance costs	23,656	18,104
Retail inventories	–	490
Total inventories at the lower of cost and net realisable value	270,447	254,308
Inventories attributable to discontinued operations	–	(769)
	270,447	253,539
Current	69,955	74,923
Non-current	200,492	178,616
	270,447	253,539

For the year ended 30 June 2025 inventories recognised as cost of sales for the Group amounted to \$66.9 million (2024: \$99.6 million).

There were no adjustments to the carrying value of inventories during the period.

Accounting for inventories

Inventories are valued at the lower of cost and net realisable value. Cost for development inventory includes acquisition, development, holding and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred. Inventories represent these costs apportioned to property not yet sold. Conversely, cost of sales is represented by these costs apportioned to the sales brought to account. Retail inventory refers to stock on hand at the Big Banana.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Borrowing costs capitalised as part of inventory during the year amounted to \$8.9 million (2024: \$2.0 million).

Development inventory is initially classified as non-current. It is subsequently classified to current if the development or subdivided lots are expected to be sold or completed within the next 12 months.

All development inventory is provided as security for borrowings. Refer to note 17 for further information.

Note 12. Equity accounted investment and associate

	2025 \$'000	2024 \$'000
Current		
Investment in associate – The Big Banana Group Limited	2,591	–
	2,591	–
Non-current		
Investment in joint venture – Talpa Joint Venture	822	756
	822	756
	3,413	756

The Group has a 9.84% interest in The Big Banana Group Limited. The Group's interest in The Big Banana Group Limited is accounted for using the equity method in the consolidated financial statements. Please refer to note 6 for further information.

The Group has a 50% interest in the Talpa Joint Venture, a joint venture to develop a parcel of land in New South Wales.

Notes to the Consolidated Financial Statements (Continued)

The Group's interest in the joint venture is accounted for using the equity method in the consolidated financial statements.

The joint venture had no contingent liabilities or capital commitments as at 30 June 2025 and 30 June 2024. The Talpa Joint Venture cannot distribute its profits without consent from the two joint venture partners.

Accounting for Investment in joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group's share of net assets of the venture.

The consolidated income statement reflects the Group's share of the results of the operations of the joint venture. Unrealised gains or losses resulting from transactions between the Group and the investee are eliminated to the extent of the interest in the investee.

Note 13. Property, plant and equipment

	2025 \$'000	2024 \$'000
Land – at cost	–	4,908
Plant and equipment – at cost	4,600	15,695
Less: Accumulated depreciation	(3,426)	(7,306)
	1,174	8,389
Building on freehold land – at cost	–	4,843
Less: Accumulated depreciation	–	(696)
	–	4,147
Building on leasehold land – at cost	–	1,200
Less: Accumulated depreciation	–	(354)
	–	846
	1,174	18,290
Property, plant and equipment attributable to discontinued operations	–	(16,584)
	1,174	1,709

Notes to the Consolidated Financial Statements (Continued)

Reconciliations

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

2025	Land \$'000	Plant and equipment \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Total \$'000
Balance at 30 June 2024	4,908	8,389	4,147	846	18,290
Additions	–	5,350	149	–	5,499
Disposals	–	(211)	–	(828)	(1,039)
Depreciation expense	–	(862)	(115)	(18)	(995)
Balance at 30 June 2025	4,908	12,666	4,181	–	21,755
Attributable to de-recognised assets	(4,908)	(11,492)	(4,181)	–	(20,581)
	–	1,174	–	–	1,174

2024	Land \$'000	Plant and equipment \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Total \$'000
Balance at 30 June 2023	4,908	7,018	3,764	864	16,554
Additions	–	2,162	503	–	2,665
Disposals	–	(20)	–	–	(20)
Depreciation expense	–	(771)	(120)	(18)	(909)
Balance at 30 June 2024	4,908	8,389	4,147	846	18,290
Attributable to discontinued operations	(4,908)	(7,526)	(4,147)	–	(16,581)
	–	863	–	846	1,709

Accounting for property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and impairment. Such cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis for each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment:	2 – 100 years
Buildings on freehold land:	5 – 40 years
Buildings on leasehold land:	25 – 67 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group.

Notes to the Consolidated Financial Statements (Continued)

Note 14. Intangible assets

	2025 \$'000	2024 \$'000
Intangible assets – at cost	243	225
Less: Accumulated amortisation	(219)	(211)
	24	14

Reconciliations

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

2025	Software \$'000	Total \$'000
Balance at 30 June 2024	14	14
Additions	18	18
Disposals	–	–
Amortisation expense	(8)	(8)
Balance at 30 June 2025	24	24

2024	Software \$'000	Total \$'000
Balance at 30 June 2023	68	68
Additions	–	–
Disposals	(20)	(20)
Amortisation expense	(34)	(34)
Balance at 30 June 2024	14	14

Accounting for intangible assets

Intangible assets are stated at cost net of accumulated amortisation and impairment.

Amortisation is calculated on a straight-line basis for each item of intangible assets. The estimated useful lives for software is 3-5 years.

The residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of intangible assets is derecognised upon disposal or when there is no future economic benefit to the Group.

Note 15. Leases

(i) Right-of-use assets

	2025 \$'000	2024 \$'000
Opening balance	180	167
Additions	2,343	167
Disposals	(2)	(30)
Depreciation expense	(180)	(124)
Make good provision expense	(5)	–
Closing balance	2,336	180

Notes to the Consolidated Financial Statements (Continued)

The Group's lease portfolio includes buildings, plant and equipment. These leases have an average term of five years.

(ii) Lease liabilities

	2025 \$'000	2024 \$'000
Current	269	60
Non-current	2,010	125
Total lease liabilities	2,279	185

Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments to be made under the group's leases.

	2025 \$'000	2024 \$'000
Less than 1 year	464	74
Later than 1 year but not later than 5 years	2,265	132
Later than 5 years	327	–
Total	3,056	206

(iii) Amounts recognised in the consolidated income statement

	2025 \$'000	2024 \$'000
Depreciation charge on right-of-use assets	180	124
Interest expense on lease liabilities (disclosed in finance costs)	63	10
Short-term leases expense (disclosed in project management expenses – office administration)	91	40
Total amounts recognised in the consolidated income statement	334	174
Total cash outflows for leases	(206)	(142)

Note 16. Payables

	2025 \$'000	2024 \$'000
Trade payables	962	2,867
Other payables	2,361	4,233
Accrued development expenses	6,723	9,313
Other accrued expenses	228	378
	10,274	16,791
Payables attributable to discontinued operations	–	(605)
	10,274	16,186

Accounting for payables and accrued expenses

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Consolidated Financial Statements (Continued)

Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Commitments and contingencies are disclosed net of the amount of GST.

Cash flows are included in the statement of cash flows 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 part of operating activities.

Note 17. Borrowings – financial liabilities

	Weighted average interest rate %	Maturity	2025 \$'000	2024 \$'000
Current interest-bearing borrowings				
Bank loans	7.13 %	< 1 year	99,693	107,029
Secured notes	9.44 %	< 1 year	12,041	31,348
Convertible redeemable preference shares	11.20 %	< 1 year	939	2,835
			112,673	141,212
Loans attributable to discontinued operations			–	(4,450)
			112,673	136,762
Non-current interest-bearing borrowings				
Bank loans	7.66 %	1 to > 5 years	5,031	–
Secured notes	8.94 %	< 5 years	53,912	35,950
Convertible redeemable preference shares	12.35 %	< 3 years	10,014	9,314
			68,957	45,264
			181,630	182,026

Bank loans

The Group has project specific bank loans from various lenders, which may be provided on a staged basis. The loans are secured by a first or second mortgage over the relevant entity's inventories and in some cases by an equitable mortgage over all the assets of the relevant entity. The loans are subject to annual review processes and are therefore shown with a maturity of less than 1 year in the above table. The Group has longstanding relationships with its lenders and a history of repaying, extending or refinancing bank loans within their maturity dates.

Secured notes

Secured notes carry terms ranging from one to five years at varying interest rates. At balance date, \$66.0 million (2024 \$67.3 million) had been issued in secured notes. These notes are secured by way of a General Security Agreement over the Company.

Convertible redeemable preference shares ('CRPS')

The CRPS can either be redeemed or converted to A class ordinary shares at the holders' discretion on the 3rd, 6th, 9th and 12th anniversary from the date of issue. At the end of the term (the 15th anniversary) each CRPS that remains on issue will mandatorily and automatically convert to A class ordinary shares in the Company. The conversion of CRPS to A class ordinary shares are on a 1:1 basis. A CRPS holder's entitlement to a dividend is subject to the directors' absolute discretion and dividends are non-cumulative.

Notes to the Consolidated Financial Statements (Continued)

The current dividend policy is to pay an annual dividend of 11.2 (2024: 11.2) cents per share on Tranche 1 ('CRPS-1') and 12.6 (2024: 12.6) cents per share on Tranche 2 ('CRPS-2'). The presentation of the equity portion of these shares is explained in note 20.

In 2023, a change was made to the terms and conditions of the redemption of CRPS to give the Company the ability to respond to a request to redeem CRPS by buying back the affected shares at the issue price.

During December 2024, CRPS holders were permitted to request that all of their CRPS be converted to A Class Ordinary Shares by 31 December 2024. The conversion has been recognised on a 1:1 basis with A Class Ordinary Shares.

Accounting for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the CRPS that exhibits characteristics of a liability is recognised as a liability in the consolidated balance sheet, net of transaction costs. The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied to instruments of comparable credit status and providing substantially the same cash flows on the same terms, but without the conversion option. The liability is subsequently measured at amortised cost until conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a reserve, net of transaction costs.

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Interest rate risk

The Group manages its interest rate risk by continually analysing its exposure and by managing its finance costs using a mix of fixed and variable rate debt in an attempt to limit cash flow volatility arising from interest rate changes.

Note 18. Provisions

	2025 \$'000	2024 \$'000
Current		
Employee entitlements	1,636	1,618
Employee entitlements attributable to discontinued operations	–	(139)
	1,636	1,479
Non-current		
Employee entitlements	49	107
Make good provision	140	–
	189	107
	1,825	1,586

Accounting for make good provision

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Notes to the Consolidated Financial Statements (Continued)

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting for employee entitlements

Liabilities for annual leave and long service leave are measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Future payments expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Employee entitlements not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 19. Issued capital

Issued shares

	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
A class ordinary shares – fully paid	59,369,437	53,123,730	53,370	45,885
B class ordinary shares – fully paid	2,069,508	2,032,160	1,955	1,868
	61,438,945	55,155,890	55,325	47,753

Movements in A class share capital

Details	Shares	Issue price	\$'000
Closing balance – 30 June 2023	50,721,614		42,876
Dividend reinvestment	1,785,475	\$1.25	2,231
Employee Share Scheme	156,493	\$1.25	196
Employee Share Scheme – buy back	(5,856)	\$1.40	(8)
Share issue	416,004	\$1.25	520
Share issue	50,000	\$1.40	70
Closing balance – 30 June 2024	53,123,730		45,885
Dividend reinvestment	1,066,668	\$1.25	1,333
Employee Share Scheme – buy back	(83,216)	\$1.40	(116)
Equal Access Buyback	(692,678)	\$0.88	(618)
Share issue	152,778	\$1.40	214
Share issue	6,000	–	–
CPRS Conversion	2,291,406	\$1.00	2,291
Share issue	3,504,749	\$1.25	4,381
Closing balance – 30 June 2025	59,369,437		53,370

Notes to the Consolidated Financial Statements (Continued)

Movements in B class share capital

Details	Shares	Issue price	\$'000
Closing balance – 30 June 2023	1,965,710		1,785
Dividend reinvestment	66,450	\$1.25	83
Closing balance – 30 June 2024	2,032,160		1,868
Dividend reinvestment	73,226	\$1.25	90
Equal Access Buyback	(109,916)	\$0.88	(97)
Share issue	74,038	\$1.25	94
Closing balance – 30 June 2025	2,069,508		1,955

A class ordinary shares

A class ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

B class ordinary shares

B class ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

B class ordinary shareholders can attend but not vote at shareholder meetings and have the right to Company information.

Accounting for issued capital

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

Accounting for employee share scheme

In 2022 the Group implemented an employee share scheme. The Scheme Rules allow the Board considerable flexibility in the manner in which any employee share grants are made, providing for the use of options, performance rights, and other mechanisms as well as direct grants. Shares issued under the scheme without any ongoing performance criteria are expensed immediately at the issue price.

Note 20. Reserves

	2025 \$'000	2024 \$'000
Convertible Redeemable Preference Share ('CRPS') reserve	4,590	5,377

CRPS reserve

The reserve is used to recognise the equity component of the CRPS compound financial instrument.

Accounting for dividends

Dividends are recognised when declared.

Notes to the Consolidated Financial Statements (Continued)

Note 21. Interests in wholly-owned subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following significant wholly-owned subsidiaries in accordance with the accounting policy described in note 28:

Name	Principal activities	Project
Argyle Building Pty Limited	Building construction	
Argyle Building (Qld) Pty Limited	Building construction	
Canberra Estates Consortium No. 36 Pty Limited	Property development	Woodlinks at Collingwood Park
Canberra Estates Consortium No. 55 Pty Limited	Property development	Realm at Austral 2
The Bulli Building Co. Pty Limited	Property development	The Brickworks at Bulli
The Summit at Coffs Pty Limited	Property development	The Summit at Coffs Harbour
Village Housing Pty Limited	Building construction	
Village No. 19 Pty Limited	Property development	Trilogy Place at South Morang
Village No. 21 Pty Limited	Property development	Rutledge St, Queanbeyan
Village No. 22 Pty Limited	Property development	Fetherston at Weston
Village No. 25 Pty Limited	Property development	South Jerrabomberra
Village No. 26 Pty Limited	Property development	Realm at Austral 5
Village No. 27 Pty Limited	Property development	Tallagandra
Village No. 32 Pty Limited	Property development	Avon
Village No. 33 Pty Limited	Property development	Waraba, Caboolture West

Note 22. Material partly-owned subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following significant partly-owned subsidiaries in accordance with the accounting policy described in note 28:

Name	Project	Proportion of equity interest held by non-controlling interests:	
		2025	2024
The Big Banana Group Limited (previously Village No. 1 Pty Limited) ¹	Holding company	90.16%	47.74%
The Big Banana Pty Ltd ¹	Theme & Water park	90.16%	47.74%
Canberra Estates Consortium No. 49 Pty Limited	Woodlinks at Collingwood Park	25.98%	25.98%
Canberra Estates Consortium No. 61 Pty Limited	Trilogy at South Morang	62.08%	62.08%
Canberra Estates Consortium No. 67 Pty Limited	Fetherston at Weston	27.73%	37.98%
Canberra Estates Consortium No. 68 Pty Limited	Fetherston at Weston	3.35%	100.00%
Canberra Estates Consortium No. 69 Pty Limited	South Jerrabomberra	31.43%	31.43%
Canberra Estates Consortium No. 74 Pty Limited	Tallagandra	50.00%	50.00%

1. The Board of Directors of the Company approved the plan to sell The Big Banana Group Limited, a partially owned subsidiary. This diluted the Group's ownership interest to 9.84%. Refer to note 6 for more information.

Notes to the Consolidated Financial Statements (Continued)

The first tranche of the transaction has been accounted for as an equity transaction with non-controlling interest (NCI) in the prior year:

	Total \$'000
Opening value of shares in The Big Banana Group Limited representing a 52.26% ownership interest	7,019
Less: Carrying value of sold shares in The Big Banana Group Limited representing a decrease in equity attributable to the parent of 42.42%	(5,697)
Closing value of shares in The Big Banana Group Limited representing a 9.84% ownership interest	1,322

	Total \$'000
Cash consideration on disposal of subsidiary	11,166
Carrying value of subsidiary disposed	(5,697)
Gain on sale of The Big Banana Group Limited shares recognised directly in equity	5,469

Note 23. Related party disclosures

Intragroup balances and transactions, and any unrealised gains or losses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Parent entity

The Village Building Co. Limited is the parent entity.

Subsidiaries

Investments in subsidiaries are carried at their cost of acquisition less impairment in the Group's financial statements. Interests in subsidiaries are set out in note 21 and note 22.

Joint ventures

Interests held in associates and joint ventures by the Group are set out in note 12.

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2025 \$'000	2024 \$'000
<i>Sales to related parties</i>		
Key management personnel	50	-
Other related parties	5,028	2,751
<i>Purchases from related parties</i>		
Other related parties	8,531	9,487
<i>Amounts owed to related parties*</i>		
Other related parties	12	67

* These amounts are classified as trade payables and are included in note 16.

Notes to the Consolidated Financial Statements (Continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2025 \$'000	2024 \$'000
<i>Amounts owed to related parties</i>		
Secured notes	2,411	5,913
CRPS accounted for as debt	8,093	9,430
<i>Interest/Dividend Paid</i>		
Secured notes	333	756
CRPS accounted for as debt	1,036	1,057

Compensation of key management personnel of the Group

Compensation expense of key management personnel amounted to \$1,985,601 during the year ended 30 June 2025 (2024: \$1,903,302).

Terms and conditions

All transactions with related parties are made on normal commercial terms and conditions. Purchases from related parties include consulting services and civil engineering works. The offer to buy out the investors in the Weston Syndicate and Unit Trust, was offered to all investors on the same terms and conditions. The share price for the sale of the Big Banana shares was at a price arrived at by a competitive pricing process and was offered equally to all investors.

No impairments of receivables relating to amounts owed by related parties have been recorded.

Prior year comparatives

The prior year comparative figures have been updated as a result of the company's review of reportable related party transactions.

Note 24. Commitments and contingencies

Guarantees

The Group is committed to incur certain costs in respect of the development of its projects, as detailed below. These commitments are secured by guarantees issued to relevant authorities and financiers. The parent entity would become liable to pay these guarantees in the event that the entity undertaking the project was unable to complete the work which is subject to guarantee.

	2025 \$'000	2024 \$'000
Bank guarantees outstanding	1,147	703
Insurance bonds outstanding	16,192	21,901
Other guarantees outstanding	259	433
	17,598	23,037

The parent entity has guaranteed loans for entities in which it has an interest and it receives a fee for this service from some of the entities. The guarantees relate to loans to fund land acquisitions, construction and development in the normal course of business operations of individual developments. The guarantees are secured by charges over the assets of the respective entities and their individual developments and the debt is to be repaid from the net sales from the individual developments. No liability is expected to arise in relation to the guarantees. The outstanding value of loans guaranteed, included as liabilities in the consolidated balance sheet at the reporting date are as follows:

	2025 \$'000	2024 \$'000
Subsidiaries	104,501	107,029

Notes to the Consolidated Financial Statements (Continued)

Contractual commitments for the acquisition of land

As at 30 June 2025, the Group had a contractual commitment for the settlement of a land purchase for a project totalling \$29.7 million (2024: \$7.3 million) which is expected to settle in the next 12 months. Settlement is expected to be funded using bank debt, syndicated equity and the Group's reserves.

Note 25. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity and controlled entities:

	2025 \$	2024 \$
Auditors of the Group – Ernst and Young		
Audit of financial reports of the Group, Company and controlled entities	358,194	366,201
Audit of regulatory returns	30,160	29,489
Other audit services	20,800	20,587
Total services provided by Ernst and Young	409,154	416,277
Auditor's remuneration attributable to discontinued operations	(26,060)	(42,303)
	383,094	373,974

Note 26. Parent entity information

Income Statement

	Parent	
	2025 \$'000	2024 \$'000
Total revenue	28,926	21,296
Cost of sales	(600)	–
Total expenses – Project management	(13,385)	(14,076)
Total expenses – Administration	(1,473)	(1,537)
Share of loss from joint venture	–	(123)
Impairment of assets	(26)	(109)
Net finance costs	(4,615)	(2,884)
Profit before income tax	8,827	2,567
Income tax (expense)/benefit	(1,755)	3,046
Profit after income tax	7,072	5,613

Notes to the Consolidated Financial Statements (Continued)

Balance Sheet

	Parent	
	2025 \$'000	2024 \$'000
Current assets	52,922	73,041
Non-current assets	106,954	92,533
Total assets	159,876	165,574
Current liabilities	18,401	48,510
Non-current liabilities	81,882	61,573
Total liabilities	100,283	110,083
Net assets	59,593	55,491
Equity		
Issued capital	55,325	47,753
Reserves	4,590	5,377
Retained earnings	(322)	2,361
Total equity	59,593	55,491

Guarantees entered into by the Parent entity in relation to the debts of its subsidiaries

The Parent entity has provided guarantees as disclosed in note 24.

Commitments and Contingent liabilities

Except for the commitments disclosed in note 24, the Parent entity has no other contingent liabilities.

Significant accounting policies

The accounting policies of the Parent entity are consistent with those of the Group, as disclosed in note 28, except for the following:

- investments in subsidiaries are accounted for at cost, less any impairment, in the Parent entity;
- investments in joint ventures are accounted for at cost, less any impairment, in the Parent entity; and
- dividends received from subsidiaries are recognised as income by the Parent entity and their receipt may be an indicator of an impairment of the investment.

Note 27. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 28. Material accounting policy information

This note provides material accounting policy information adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of The Village Building Co. Limited and its subsidiaries.

Notes to the Consolidated Financial Statements (Continued)

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards – Simplified Disclosures.

The financial report has been prepared on a historical cost basis, except for investment properties that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

The consolidated financial statements provide comparative information in respect of the previous period.

The material accounting policy information adopted in the preparation of the financial statements are either included in the relevant note to the consolidated financial statements or set out below. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. Consolidation of a subsidiary commences when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts or circumstances indicate that there are changes to one or more of the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are fully eliminated on consolidation. Unrealised gains and losses are also eliminated upon consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the Consolidated Financial Statements (Continued)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is current when:

- it is expected to be realised or intended to be sold or consumed in the Group's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or short-term deposit unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in:

- the principal market; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

New and Amended Accounting Standards Adopted by the Group

The Group applied for the first-time all standards and amendments, which are effective for annual periods beginning on or after 1 July 2024 and none of which had a material impact. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Consolidated Financial Statements (Continued)

Note 29. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Consolidation of entities in which the Group holds less than a majority of voting rights

The Group considers that it controls Canberra Estates Consortium No 61 Pty Limited even though it owns less than 50% of the voting rights in this entity. This is due to the fact that the Group is the single largest syndicate member with a 37.92% equity interest. The remaining equity interests are held widely by many other syndicate members and there is no history of the other syndicate members collaborating to exercise their votes collectively to outvote the Group. The Group has also been appointed the Project Manager and is responsible for the day-to-day operations and decision making of the project.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by considering the recent sales experience, the potential market for inventories and other factors that affect inventory's net realisable value. The provision is reversed if the net realisable value exceeds cost.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the Group will make. The Group determines the likelihood to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to the future strategy of the entity.

Development costs

The Group capitalises development costs for a project in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that economic feasibility is confirmed, usually when certainty exists that the project will be acquired. Following the last sale in a development, future development costs required to complete the development are estimated and accrued in the balance sheet.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Notes to the Consolidated Financial Statements (Continued)

Revenue

Identifying the separate performance obligations in a contract with a customer

Most of the revenue recognised by the Group relates to contracts with customers for the sale of land, house and land packages and units and services revenue generated from construction, project management and selling activities. In accounting for these contracts, the Group is required to identify which goods or services are distinct and therefore represent separate performance obligations to which revenue can be assigned. Management uses judgement to determine whether a promised good or service is distinct by assessing if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and by ascertaining whether the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determination of transaction prices for revenue recognition

The Group is required to determine the transaction price in respect of each of its contracts with customers. Where consideration is variable due to a contract containing liquidated damages provisions or where the consideration is based on a percentage of the customer's gross property sales, the Group estimates the amount of variable consideration to be included in the transaction price. Management applies judgement based on significant industry experience to determine this amount and adjusts the transaction price accordingly.

Allocation of transaction price to performance obligations in contracts with customers

The Group uses the stand-alone selling price of the distinct goods and services underlying each performance obligation to apportion the transaction price to identified performance obligations.

Satisfaction of performance obligations for revenue recognition

The Group assesses each of its customer contracts to determine whether performance obligations are satisfied over time or at a point in time in order to determine when revenue is recognised. Refer to note 2 for further details.

Transfer of control when performance obligation satisfied at a point in time

Significant judgement is required to determine when control over the asset is transferred to the customer which is the point in time when revenue is recognised. Refer to note 2 for further details.

Method of measuring progress of completion of performance obligations and recognition of revenue

For performance obligations satisfied over time, management uses judgement to select a method for measuring its progress towards complete satisfaction of that performance obligation. In exercising that judgement, management selects a method that depicts its performance in transferring control of goods or services to the customer. For the provision of construction services, management has determined that progress should be measured by reference to progress billings (an output method). For the provision of project management services, management has determined that progress should be measured based on consultant spend (an input method) and is calculated as the amount of consultant spend incurred year to date as a percentage of total estimated consultant spend for the contract. For selling services, management has determined that progress should be measured over the short period of time relating to the procedural steps required in finalising a transaction of sale of a property to a purchaser.

Consolidated Entity Disclosure Statement

As at 30 June 2025

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Village Building Co. Limited	Building construction	Australia	–	Australia
Argyle Building Pty Limited	Building construction	Australia	100%	Australia
Argyle Building (Qld) Pty Limited	Building construction	Australia	100%	Australia
Canberra Estates Consortium No. 36 Pty Limited	Property development	Australia	100%	Australia
Canberra Estates Consortium No. 55 Pty Limited	Property development	Australia	100%	Australia
The Bulli Building Co. Pty Limited	Property development	Australia	100%	Australia
The Summit at Coffs Pty Limited	Property development	Australia	100%	Australia
Village Housing Pty Limited	Building construction	Australia	100%	Australia
Village No. 19 Pty Limited	Property development	Australia	100%	Australia
Village No. 21 Pty Limited	Property development	Australia	100%	Australia
Village No. 22 Pty Limited	Property development	Australia	100%	Australia
Village No. 25 Pty Limited	Property development	Australia	100%	Australia
Village No. 26 Pty Limited	Property development	Australia	100%	Australia
Village No. 27 Pty Limited	Property development	Australia	100%	Australia
Village No. 32 Pty Limited	Property development	Australia	100%	Australia
Village No. 33 Pty Limited	Property development	Australia	100%	Australia
The Big Banana Group Limited*	Theme & Water park	Australia	9.84%	Australia
The Big Banana Pty Ltd*	Theme & Water park	Australia	9.84%	Australia
Canberra Estates Consortium No. 49 Pty Limited	Syndicated Venture	Australia	74.02%	Australia
Canberra Estates Consortium No. 61 Pty Limited	Syndicated Venture	Australia	37.92%	Australia
Canberra Estates Consortium No. 67 Pty Limited	Syndicated Venture	Australia	72.27%	Australia
Canberra Estates Consortium No. 68 Pty Limited	Unit Trust	Australia	96.65%	Australia
Canberra Estates Consortium No. 69 Pty Limited	Syndicated Venture	Australia	68.57%	Australia
Canberra Estates Consortium No. 74 Pty Limited	Syndicated Venture	Australia	50.00%	Australia

* Deconsolidated during the year ended 30 June 2025.

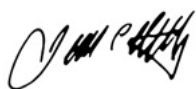
Directors' Declaration

For the year ended 30 June 2025

In accordance with a resolution of the directors of the Village Building Co. Limited (the Company), I state that in the opinion of the directors:

1. the financial statements and notes of The Village Building Co. Limited and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - b. complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
2. the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct; and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board:



John V. McCarthy AO
Chairman

23 September 2025
Canberra

Independent Auditor's Report

To the members of The Village Building Co. Limited and its controlled entities



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Independent auditor's report to the members of The Village Building Co. Limited and its controlled entities

Opinion

We have audited the financial report of The Village Building Co. Limited and its controlled entities. (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

Independent Auditor's Report (Continued)



Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

Independent Auditor's Report (Continued)



events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Ernst & Young logo, featuring the company name in a stylized, handwritten-style font.

Ernst & Young

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

Anthony Ewan
Partner
Sydney
23 September 2025

Corporate Directory

30 June 2025

Directors

John V. McCarthy AO – Chairman
Albert Dabas
Michael De Simone
Stewart Hindmarsh
Loyd Perin
Robert Winnel AM

Company secretaries

Albert Dabas
Vincent Whiteside
Robert Fisher

Registered office

Suite 1, Level 4, 14 Childers Street
Canberra City ACT 2601

Head office and regional offices

Canberra – head office

Suite 1, Level 4, 14 Childers Street
Canberra City ACT 2601
Phone: 02 6241 6844

Queensland office

2 Calvert Close
Murrumba Downs QLD 4503
Phone: 07 3886 0244

Auditor

Ernst & Young
Level 11, 121 Marcus Clarke Street
Canberra ACT 2601

Solicitors/General Counsel

O'Connor Harris & Co
Level 6, 161 London Circuit
Canberra ACT 2601

Tax agent

Maxim Chartered Accountants
Level 2, 59 Wentworth Avenue
Kingston ACT 2604

Appendix A – List of Completed Projects

30 June 2025

Project Name, Location	State	Project Commence-ment	Development Completion	Product
Belconnen	ACT	1988	1989	293
Bonython, 3B	ACT	1988	1989	184
Calwell Stage 2*	ACT	1989	1990	267
Gordon 1	ACT	1990	1990	87
Gordon 7*	ACT	1990	1992	170
Monash	ACT	1990	1993	429
Orange	NSW	1990	2001	509
Conder/Banks*	ACT	1991	1991	288
Palmerston Heights**	ACT	1991	1992	975
Gordon 8, Sunny Ridge Estate**	ACT	1991	1993	1,184
Tarrawanna, Wollongong	NSW	1991	1995	167
Ngunnawal 3A*	ACT	1992	1994	423
Ngunnawal 1, North Ridge Estate**	ACT	1992	1993	368
Golf Course Estate, Gungahlin	ACT	1993	1999	1,153
Ngunnawal 2A	ACT	1994	1998	571
Lakeside Estate, Nicholls*	ACT	1997	1998	241
The Foreshores, Amaroo*	ACT	1999	2001	592
Berkeley, Wollongong	NSW	1999	2001	20
The Lakes, Ngunnawal East	ACT	2000	2000	91
Heritage Corner, Braddon	ACT	2000	2001	6
Sunnybank Hills, Brisbane	QLD	2001	2001	12
The Foreshores 2, Amaroo 4*	ACT	2001	2003	408
Bruce Ridge**	ACT	2001	2002	137
Wells Station Road Estate, Gungahlin	ACT	2001	2002	70
Dunlop 3**	ACT	2001	2003	220
The Shores, Belconnen**	ACT	2003	2006	80
The Waterfront and Boulevard, Gungahlin**	ACT	2001	2002	360
Bruce Parklands, Bruce**	ACT	2004	2005	70
The New McKellar, McKellar	ACT	2003	2007	120
Stromlo	ACT	2007	2007	42
Riverwood Estate	QLD	1994	2008	885
The Sands, Pacific Paradise	QLD	2004	2008	88
Glenwood Estate, Kallangur	QLD	1992	2009	427
Proximity, Bruce	ACT	2003	2008	159
Central Grove, Coffs Harbour	NSW	2004	2010	45
Uriarra Rural Village	ACT	2007	2011	77
Parkside at Dunlop	ACT	2007	2011	103
Stonebridge at Franklin	ACT	2007	2011	95
Brindabella 1 at Macgregor	ACT	2007	2011	813
The Hub in Bruce	ACT	2005	2011	272

Appendix A – List of Completed Projects (Continued)

Project Name, Location	State	Project Commence-ment	Development Completion	Product
Domain on the Park in Deakin	ACT	2010	2012	35
Edgewood Estate in Woonona	NSW	1998	2013	682
The Fair at Watson	ACT	2009	2013	316
Brindabella 2 at Macgregor	ACT	2009	2014	547
Nexus and Nexus 2 in Franklin	ACT	2010	2015	85
Nirvana at Harrison	ACT	2013	2014	60
Broadview at Ngunnawal	ACT	2011	2016	559
Rosedale, St Ives	NSW	2012	2016	124
Aspect @ Jacka	ACT	2012	2016	123
Acacia Grove, Beerburrum	QLD	2011	2017	77
Abode, Kallangur	QLD	2010	2017	119
Horizon at Coombs	ACT	2015	2018	83
Carramar at Moncrieff	ACT	2015	2018	42
Brickworks at Bulli	NSW	2011	2018	176
Westside at Indooroopilly	QLD	2014	2018	119
The Residences at Canberra	ACT	2018	2020	12
Yarraman, Noble Park	VIC	2015	2021	166
The Summit at Coffs Harbour	NSW	2000	2021	114
Village at Corrimal	NSW	2017	2021	66
Realm at Austral 1	NSW	2015	2022	93
Realm at Austral 2	NSW	2016	–	209
Realm at Austral 3	NSW	2017	2022	28
Realm at Austral 4	NSW	2020	2022	70
Trilogy Place at South Morang	VIC	2017	2025	242
TOTAL Products Completed				16,648

Ongoing Projects

Project Name, Location	State	Project Commence-ment	Development Completion	Product
Talpa Estate**	NSW	2002		51
Woodlinks at Collingwood Park	QLD	2013		930
Fetherston at Weston	ACT	2017		171
South Jerrabomberra	NSW	2019		1,509
Realm at Austral 5	NSW	2023		26
TOTAL Products Under Construction				2,687
TOTAL All Products				19,335

* ACT Government Joint Ventures.

** Private Joint Ventures/Syndicated Projects.



Woodlinks, capturing the entire site from the North-Western corner.



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