The Village Building Co Est. 1988



Annual Report 2026

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Chairman's Message



The 2026 financial year saw the implementation of a transition plan for The Village Building Co, with major changes to both management and the Board of Directors.

As previously announced, the Company appointed a new CEO and CFO in November 2025. Rob Fisher and Julia Pooley were identified some time ago as potential successors within the Company, ensuring continuity and stability through the transition.

Change has also occurred at a Board level, with Bob Winnel and Michael De Simone retiring on 30 June 2026 to be replaced by Madison Winnel and Michael De Simone Jr. While the family connection remains both Madison and Michael are strong directors in their own right and have already added significant value to the Company.

The Board was further strengthened through the addition in February 2026 of independent directors Gavin Carrier and John Dietz, alongside the Company's longstanding general counsel John Harris. Details of all the new directors can be found on pages 14 and 16.

I would like to thank both Bob Winnel and Michael De Simone for their extraordinary contributions to the company over many years. As founder, Bob leaves an enormous legacy in his projects and ways of doing business. Michael's involvement as a contractor, advisor and later director also leaves a lasting mark on the company, particularly through his advocacy for shareholders and investors at the Board table.

It is anticipated the Board transition plan will continue with new Director appointments replacing existing Board members in due course.

In March this year the Board conducted a review of the Company's strategy for the remainder of the decade, endorsing a strategic plan in May.

This plan builds on the Company's history of delivering affordable housing, rebuilding our construction business in the Capital Region while maximising the value we generate from our current assets and building the capability necessary to finance and deliver our longer-term projects.

Unfortunately this period of change has coincided with some of the most challenging market conditions this century, including a war-induced fuel crisis, rising interest rates, Federal Government policy change and economic disruption in the ACT. As a result we have seen slower sales, delay to construction and material increases to costs. The Company has therefore reported its first loss in many years. Alongside the poor trading result, the loss also includes a one-off charge associated with restructuring and a substantial write-down of the Rutledge Street apartment project in Queanbeyan. This was necessitated by unprecedented increases in construction costs across the industry which has seen many apartment sites become unfeasible this year. We do not anticipate a recovery in this position and will no longer pursue projects of this type. Alternative uses for Rutledge Street are being explored, as is a possible sale.

The Board is confident that the financial result is a one-off and expects a return to profitability in FY27 and beyond. The new management team is settling in well, our renewed focus on affordability is seeing sales across our existing projects and our longer term portfolio is progressing well towards rezoning. The Company is well capitalised and continues to be optimistic about the future.

The Board recognises that many of our shareholders have been invested for a considerable period and may be more interested in short-term liquidity than long-term value increases. We are exploring a range of options to provide increased liquidity to these shareholders.

I thank you for your ongoing support of the Company, its Board and management.

John V. McCarthy AO
Chairman

22 September 2026
Canberra



38
years of creating vibrant communities

Chief Executive Officer's Message

The Company has reported a loss excluding revaluations and restructuring costs for the 2026 financial year of $10 million. Consequently dividends were deferred and subsequently paid, albeit at a reduced amount compared to last year. We are forecasting a return to profitability this year, provided market conditions allow continuing sales, and with it an increase in future dividends.

As the Chairman has noted, this year we have experienced an exceptionally challenging operating environment, including serious external shocks to the economy and a resultant softer property market. While this contributed to the operational loss, we have also identified a number of areas where we can improve based on lessons we have learnt, including:

- the need to make timely price adjustments as market conditions slow, particularly in relation to high priced, larger lots which are more difficult to build on due to slope;
- the need to factor in more conservative assumptions regarding the speed and outcome of planning processes which have seen townhouse and commercial sales delayed; and
- the need to closely manage our spending on marketing and overheads.

This year we have taken a significant impairment charge on the Rutledge St project in Queanbeyan. This was required due to the lack of growth in apartment prices and an environment where construction costs have dramatically increased, reducing the recoverable value of the asset.

While the year has been difficult, we have taken some important lessons for the future that I am confident will stand us in good stead in the years to come.

Lessons Learned and Actions Taken

1. Buying well matters

As a property development business, it goes without saying that buying well matters. We have developed a new, more rigorous, acquisition analysis and review process to support better decisions on projects. To support this initiative, the board has constituted a new Investment Committee comprising directors and senior management to take carriage of our acquisition activities.

2. Products must meet market demand at a price the market can afford.

Our research shows that there is a large market for sub $900k house and land packages everywhere we operate. There is a very limited market for $2m packages in these locations. We have therefore taken tangible steps to focus on more affordable product including the formation of a Product and Price Committee in early 2026 comprising the CEO, CFO and GMs. This committee is the key management decision-making forum within the company having control over every product we release to the market from design conception to post-settlement review.

This will ensure that future product releases are closely aligned with customer demand, affordability and changing market conditions.

3. Overhead management is critical in difficult markets.

We took decisive action around the fuel crisis in March to reduce costs, including reducing staff numbers by around 20%. We have also made substantial reductions in marketing and overhead costs. These changes have had little impact on the FY26 result but are expected to reduce our overhead costs by around $4.8m over the next three years.

A continuing programme of overhead review has now been adopted to ensure we respond quickly and effectively to changing market conditions.

4. Development takes time and we must plan accordingly.

Everything we do is subject to real and substantial delay risk. We know from experience that planning and delivery processes take much longer than we would like and don't always play out as we would hope. We also know that a settlement that occurs on 1 July is practically as valuable as one on 30 June, despite falling into a different reporting period.

Our future plans allow for more conservative timing in the planning and approval process, and are driven by maximising investor returns rather than meeting short-term 30 June reporting deadlines. In addition, our costings include realistic contingencies and are supported by thorough analysis.

Our projections are still subject to market and sales risks outside our control, and so we will not always meet every forecast. Nevertheless, we believe the changes we have made will improve the reliability of our forecasting while reducing undue pressure on staff, consultants and suppliers.

With these lessons now embedded in the way we run the business, we are set to tackle what undoubtedly remains a difficult market. War, interest rates, government policy changes, and inflation are reasons for caution and we will monitor them closely. We will respond early, decisively and prudently if conditions deteriorate further.



Five Reasons Why the Future is Bright

There are, however, many reasons for optimism and I want to highlight some of these.

1. Our big operating projects are well located, with affordable product on the market or ready for release.

Woodlinks continues to perform well driven by excellent demographic fundamentals. South Jerrabomberra has been redesigned and re-approved with the majority of its future product comprising more affordable small blocks. Weston is on the market and has been well received.

All these projects have a majority of house and land product selling for less than $900k, a price point that is still experiencing consistent demand. At 30 June 2026 the Company had pre-sold $76.1m in houses and land, which will be realised over the next two financial years. A further $17.8m in sales have occurred in July and August 2026. Together, these sales provide a strong foundation for the business as we move into FY27 and beyond.

2. Our strategic projects are in the right places to meet growing demand in the future, with strong planning cases to support their rezoning.

Waraba is expected to be rezoned in 2026. South Jerrabomberra has the potential for significant increased yield following construction of Dunns Creek Road, which is currently under public consultation. Tallagandra and Avon are compelling, logical locations for cross border expansion with increasing support from state, local and federal government resulting from our intensive engagement and lobbying efforts.

3. Despite the current economic uncertainty, the fundamental drivers of housing demand continue to support our business.

Australia's population and its economy are growing and should continue to do so through the rest of the decade, driving housing demand. Housing supply remains highly constrained. These conditions underpin the long-term need for well-located and affordable residential development.

Inflation remains a concern because of its impact on costs. Over the longer term, however, inflation can also support growth in revenue and underlying land values.

Our strategy is therefore focused on what we believe is one of the deepest and most resilient segments of the residential market: well-located housing at an affordable price point.

4. Our balance sheet is strong.

Measured against third party bank valuations we are geared to a little over 50%. This is higher than we would like but it will fall over coming years as our operating projects return cash to the Company. This will allow us to reduce gearing and will also allow us to explore liquidity options for shareholders.

5. The transition of Board and Management, while in its early phase, is progressing well.

We now have a clear strategy (set out on the following pages), strengthened governance and investment processes, tighter control over product and pricing decisions, and a greater focus on capital discipline and accountability.

I am confident in our Company's future and look forward to working with the Board and management team to deliver on that strategy and create sustainable value and growth for shareholders over the next five years.

There will be more change to come but the experience so far is cause for optimism as we continue to improve the structure and operation of the business.

In conclusion, I would like to thank investors, the Board and the Village team for their patience, commitment and support throughout a challenging period. I am confident in our Company's future and look forward to working with the Board and management team to deliver on that strategy and create sustainable value and growth for shareholders over the next five years.



Rob Fisher
Chief Executive Officer

22 September 2026

Strategy Overview

Building affordable communities. Creating lasting value.

Our 2030 Strategy concentrates VBC on the markets, products and capabilities where we can create the greatest value for customers and shareholders.

Our Purpose

Village provides Australian families with the opportunity to own their own home by building liveable and affordable communities.

Our 2030 Vision

1,000
quality homes delivered by the end of 2030

15,000
homes in the future pipeline we are positioning VBC to deliver

Our Value Creation Model

01
Buy Well
Rigorous market analysis and due diligence.

02
Unlock Value
Improve land physically and through the planning process.

03
Deliver Homes
Build quality, affordable product safely and repeatably.

04
Recycle Capital
Realise cash returns and reinvest for future growth.

Where we focus



Core Markets
Capital Region and South-East Queensland, with a watching brief on Sydney, the Illawarra and Newcastle.



Customer & Segment
Affordable, higher-density residential product designed to broaden buyer demand and maximise land value.



Product
Completed residential land and houses, prioritising separate-title housing and house-and-land packages within our building capability.

How we succeed



Quality + Affordability = Value
Design-led communities that improve liveability, unlock yield and keep homes within reach.



Execution Discipline
Match product and price to evidence-based assessment of market; build safely, simply and repeatably; manage cost, time and quality.



External Engagement
Work proactively with governments and regulators and take investors and lenders on the journey.



Execution and Accountability

Clear measures of success

The strategy links day-to-day choices to long-term shareholder returns, a deeper development pipeline and stronger organisational capability.

Strategic Priorities

01
Product & Price

Embed customer demand, affordability and pricing insight in every acquisition, design and delivery decision.

02
Financing Capability

Build the project-level and institutional funding capability required for larger scale projects and future growth.

03
Government Engagement

Progress projects through focused, constructive engagement.

04
Capital Management

Recover and redeploy capital from existing projects while strengthening resilience and funding flexibility.

05
Construction Capability

Re-establish and scale the ACT construction business to deliver standardised product safely and consistently.

06
Culture & Governance

Strengthen culture, governance, risk management and reporting to support better, faster decisions.

Measures of success

>15% p.a.
Total Shareholder Return
Rolling three-year basis

15,000
Future Homes
Pipeline VBC is positioning to deliver

1,000
Quality Homes
Safely delivered by end of 2030

>200 p.a.
Equivalent Dwellings
Construction production over five years

Planning Outcomes
Land Value Creation

Rezonings and approvals to enable the future pipeline

Optimised Project Funding

Capital recycled and deployed with capacity developed for the future.

Foundations for responsible growth

Safety
First-class WHS culture and maturity

Risk
Disciplined risk and capital management

Insight
Deep market knowledge and responsive sales

Governance
Strong compliance, reporting and accountability

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 to create strong, vibrant and diverse communities and to achieve socially responsible densities.

Our communities are situated near 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 homes and home-sites representing $2.85 billion in revenue and is currently managing projects under development totalling a further 2,697 homes and home-sites with forecasted revenue of $1.82 billion.

As such, the Group has produced and committed 19,345 homes and home-sites and $4.67 billion in sales revenue. Of these 19,345 homes and home-sites, 12,381 are located in the ACT and 5,915 have included constructed homes. We currently have four active projects and employ 42 staff across two locations.

We have a diversified land bank by product mix and location with projects in the Capital 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.

4
active projects

2
locations

42
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 of each director in office at the date of this Annual Report are set out in the Directors' Report.

As at 1 July 2025, the Board comprised six directors. At the Annual General Meeting held on 18 November 2025, shareholders approved an amendment to the Constitution increasing the maximum number of directors from seven to nine to facilitate Board succession.

On 18 February 2026, Gavin Carrier, John Dietz and John Harris were appointed to the Board. The Board now comprises nine directors, all of whom are non-executive directors. Madison Winnel and Michael De Simone Jnr attended Board meetings as observers but did not have voting rights.

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.

During FY27 the Board will review its committee structure with a view to streamlining committees over the next 12 months, while maintaining appropriate governance oversight and accountability.



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:

- Gavin Carrier (Chairman) (from 1 July 2026);
- Michael De Simone Snr (to 30 June 2026);
- Michael De Simone Jnr (from 1 July 2026);
- John V. McCarthy AO; and
- Robert Winnel AM (to 30 June 2026).

Michael De Simone Jnr attended as an observer during the year to 30 June 2026.

The Board policy is that the Remuneration Committee will comprise entirely of non-executive directors. The Chief Executive Officer, Chief Financial Officer and Head of People and Culture are invited to Remuneration Committee meetings, as required, to provide advice to the Committee. Management does not participate in decisions relating to their 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.

The members of the ARGC during the reporting period were:

- Stewart Hindmarsh (Chairman);
- Albert Dabas;
- John V. McCarthy AO; and
- Lloyd Perin.

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.

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.







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 (to 30 June 2026); and
- Robert Winnel AM (to 30 June 2026).
- 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.

Subsequent to year end the Board replaced the APFC with an Investment Committee, comprising members of the Board and management.

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 (to 30 June 2026);
- Madison Winnel (from 1 July 2026);
- Michael De Simone Snr (to 30 June 2026); and
- Michael De Simone Jnr (from 1 July 2026).

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.

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 2026, the following matters were addressed:

- Implementation of Anti-Money Laundering and Counter Terrorism Financing Program Capabilities;
- Implementation of Payday Super controls;
- An update to the Group's risk management function; and
- Publication of the Group's Modern Slavery Statement.



Corporate and Community Engagement



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
- Yass Valley Business Chamber
- Urban Development Institute of Australia

Community

Grants & sponsorships include:

- Canberra Raiders NRLW
- Hands Across Canberra
- Queanbeyan Netball Association
- Jerrabomberra Christmas Carols
- Queanbeyan City Football Club
- Monaro Panthers Football Club
- Weston Creek Molonglo Cricket Club
- Menslink
- Special Children's Christmas Party
- St Jude's Fete

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 2026.

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 corporate governance experience. 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:	Gavin Carrier
Position:	Non-Executive Director (Appointed 18 February 2026)
Qualifications:	Dip QS (Cr); FAPI; MRICS; MAIQS; MCIOB; MAIPM
Experience:	Gavin is a senior property professional with CEO level and international development experience spanning Australia, New Zealand, the United Kingdom, Africa, and the Middle East. He is a Director of Ironbrook, where he specialises in commercial analysis, strategic planning, and leadership of complex property development projects. Gavin's career includes a number of high-profile senior leadership roles. He served as CEO and Board Director of the Plymouth City Development Company in the UK, leading the regeneration of the City of Plymouth. He spent 12 years with Mirvac as Development Director, where he led numerous projects including the multi-award-winning $700.0 million Walsh Bay Redevelopment on Sydney Harbour from commencement to completion. Gavin has served on numerous boards and industry committees, including leadership roles within the Urban Taskforce, the Property Council of Australia, and government advisory bodies. He is recognised for his strong governance capability, financial acumen, and commitment to ethical corporate conduct and accountability.
Special responsibilities:	Chair of Remuneration Committee.



Name:	**Albert Dabas**
Title:	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 and a member of the Audit, Risk and Governance Committee.



Name:	**Michael De Simone Snr**
Position:	Non-Executive Director (Resigned 30 June 2026)
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 four 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.



Name:	**Michael De Simone Jnr**
Position:	Non-Executive Director (from 1 July 2026)
Qualifications:	BEng (Civil).
Experience:	Michael joined Village's Board of Directors on 1 July 2026. Michael is an accomplished construction executive with more than two decades of experience delivering complex commercial, residential and government projects. He began his career with tier-one contractors Lend Lease and Laing O'Rourke, where he played key project management roles on landmark developments exceeding $500.0 million in combined value. Since joining IC Formwork in 2013 and being promoted to Managing Director in 2015, Michael has led the business through significant growth in scale, capability and operational sophistication. Michael has overseen the successful completion of more than 250 formwork projects across the ACT and Hunter region, establishing IC Formwork as one of the leading formwork contractors in both markets. Known for his disciplined project execution, strong stakeholder relationships and commitment to safety and quality, Michael has built IC Formwork into one of the region's most trusted structural delivery partners.
Special responsibilities:	Member of the Remuneration Committee from 1 July 2026.



Name:	**John Dietz**
Position:	Non-Executive Director (Appointed 18 February 2026)
Qualifications:	BEc.; BSc.; GAICD
Experience:	John is the Chief Executive Officer of Paxauris, a medical device and technology company headquartered in Phoenix, Arizona, specialising in advanced hearing protection solutions. Paxauris develops patented inflatable earplug technologies designed for industrial, defence, and safety applications. John has significant executive leadership experience across government, property, infrastructure, and technology. Prior to joining Paxauris, he served as Chief Executive Officer of the Suburban Land Agency, leading the organisation through major transformation in governance, culture, and operational delivery in a high-profile public environment. His earlier career includes senior executive roles at Defence Housing Australia, where he oversaw national land acquisition, development and construction programs, and at Thales Australia, delivering major, complex technology programs. John began his career in software engineering and has maintained a strong focus on innovation and organisational performance. John holds degrees in Science and Economics from the Australian National University, along with postgraduate qualifications in applied finance and project management. He brings strong capability in strategy, governance, transformation, and large scale program delivery.



Name:	**John Harris**
Position:	Non-Executive Director (Appointed 18 February 2026)
Qualifications:	B.A, LLB
Experience:	John is the founding Director of O'Connor Harris, a Canberra-based law firm established following the merger of John Harris Solicitors and JS O'Connor Solicitors in 1982. He has practised law in the ACT for 50 years and is widely respected for his experience across commercial law, property law, family law, and building and construction law. Over his career, John has advised a broad range of private, corporate, and institutional clients, with a particular focus on complex property and construction matters. He is well regarded for his practical approach to legal risk management, governance, and regulatory compliance. His longstanding professional involvement with the property and construction sectors provides the Board with deep insight into legal frameworks affecting development and construction businesses. John brings extensive experience in governance, risk oversight, and stakeholder management, supporting the Board's stewardship of compliance and legal risk. John has been a Board member of many proprietary property trusts, trading corporations and charities over the course of his long career.



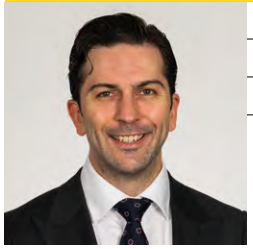
Name:	**Stewart Hindmarsh**
Position:	Non-Executive Director
Qualifications:	B.Ec , LLB (Hons), M.Bus
Experience:	Joining Village in 2023, Stewart has been a shareholder of the Company for more than 15 years. Stewart has 20 years' experience in senior management across the finance, insurance, and property 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.



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:	Member of Audit, Risk and Governance Committee.



Name:	**Robert (Bob) Winnel AM**
Position:	Non-Executive Director, Founder, Retired Managing Director (Resigned 30 June 2026)
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 and Member of the Village Housing and Argyle Building Boards.



Name:	**Madison Winnel**
Position:	Non-Executive Director (from 1 July 2026)
Qualifications:	BCP (Hons).; GAICD
Experience:	Madison joined Village's Board on 1 July 2026. Madison is a professional planner and development manager with expertise in urban planning, project management and development advisory. He works on complex urban renewal, infrastructure led development and mixed-use projects with experience spanning site acquisition, planning strategy, approvals and delivery. Madison holds an honours degree in City Planning from the University of New South Wales and is actively involved in industry committees focused on urban renewal, housing supply and affordability.

Executive Team



Name:	**Rob Fisher**
Title:	Chief Executive Officer from 24 November 2025; Deputy Chief Executive Officer & Chief Financial Officer prior to that date.
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 senior management in public and private companies in the software, land development, and renewable energy industries. 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. During the year, Rob was a Director of The Big Banana Group Limited and a member of the ACT Energy Innovation Fund's Advisory Board.



Name:	**Julia Pooley**
Title:	Chief Financial Officer from 24 November 2025; Deputy Chief Financial Officer prior to that date.
Qualifications:	B.Comm/B.Int Bus, CA, GAICD
Experience:	Julia joined Village in 2017 and was appointed as Chief Financial Officer in November 2025. Julia has experience in tax compliance, financial accounting, business structuring and advisory services across a range of industries. Julia is also a responsible manager under Village's Australian Financial Services Licence.



Name:	**Sam Burgess**
Title:	General Manager – Operations
Qualifications:	LLB, GDLP, MURP
Experience:	Sam oversees active projects nationally, as well as strategic acquisitions in QLD. He joined Village as a Development Manager in 2015. Sam holds a Bachelor of Laws, a Graduate Diploma in Legal Practice, as well as a Masters in Urban and Regional Planning. He is an active member of the Urban Development Institute of Australia (UDIA). Prior to joining Village Sam worked as a consultant town planner for a multi-disciplinary consultancy firm.



Name:	**Jamie Cregan**
Title:	General Manager – Strategic Projects
Experience:	Jamie has been with VBC since 2010 holding various positions across the company. As General Manager – Strategic Projects he is critical in driving the early stages of development across the ACT and NSW, including the South Jerrabomberra Town Centre project. He is also critical in securing and fostering government engagement (including planning and approvals) in the ACT and NSW. In addition to this, Jamie carries end-to-end accountability for the ACT and NSW Construction Business. His broad range of experience includes a position with the federal government as a senior communications analyst; councillor and Deputy Mayor of Queanbeyan City Council; President of the Queanbeyan Business Chamber; and Chair of Queanbeyan Development Board. Jamie has received an engineering excellence award from Engineers Australia.



Name:	**Vince Whiteside**
Title:	Chief Executive Officer (Retired 21 November 2025).
Qualifications:	B.Fin. Admin.; FCPA; CFTP (Snr); GAICD
Experience:	Vince was a senior executive with Village for 32 years until his retirement in November 2025.

Company secretaries

Four individuals held the position of Company Secretary of the Company throughout the year. These individuals were Albert Dabas, Vince Whiteside (retired 21 November 2025), Rob Fisher and Julia Pooley.

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 2026, and the number of meetings attended by each director were:

	Directors' meetings	Audit, risk and governance	Remuneration	Acquisition policy and funding
Number of Meetings held:	**12**	**4**	**2**	**–**
Number of Meetings attended:				
John V. McCarthy AO	12	4	2	–
Gavin Carrier (appointed 18 February 2026, joined Remuneration Committee 9 June 2026)	5	–	1	–
Albert Dabas	12	4	–	–
Michael De Simone Snr (retired 30 June 2026)	11	–	2	–
John Dietz (appointed 18 February 2026)	6	–	–	–
John Harris (appointed 18 February 2026)	5	–	–	–
Stewart Hindmarsh	10	4	–	–
Loyd Perin	12	2	–	–
Robert Winnel AM (retired 30 June 2026)	11	–	2	–

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; and
- the provision of sales and marketing services.

There have been no significant changes in the nature of these activities during the year.

Dividends

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

	Consolidated	
	2026 $'000	2025 $'000
Interim dividend for the year ended 30 June 2026 of 2.0 cents per ordinary share (2025: 4.0 cents)	1,243	2,446
Final dividend for the year ended 30 June 2025 of 6.0 cents per ordinary share (2024: 9.0 cents)	3,690	5,244
Dividend for the year ended 30 June 2026 of 11.2 cents per convertible redeemable preference share (CRPS-1) (2025: 11.2 cents)	401	451
Dividend for the year ended 30 June 2026 of 12.6 cents per convertible redeemable preference share (CRPS-2) (2025: 12.6 cents)	1,237	1,326
Equal Access Buyback for the year ended 30 June 2026 of 0.34 cents per A Class ordinary share (2025: 0.36 cents)	271	247
Equal Access Buyback for the year ended 30 June 2026 of 30 cents per B Class ordinary share (2025: 0.37 cents)[1]	4	41
	6,846	**9,755**

Operating and financial review

The loss for the Group after providing for income tax amounted to ($9.3 million) (2025: $8.4 million profit after tax).

The loss for the Group before providing for income tax amounted to $13.7 million (2025: $11.7 million profit before tax). The share of the consolidated pre-tax result attributable to the owners of the Village Building Co. is ($14.7 million) (2025: $8.9 million profit before tax).

The loss incurred is the result of a combination of poor trading conditions, one-off restructuring costs and a write-down of the Rutledge Street, Queanbeyan site.

The Group achieved 65 settlements (2025: 185 settlements) during the year equating to gross revenue of $42.2 million (2025: $93.2 million) across its projects under management.

The Group's current liabilities exceed its current assets as at 30 June 2026. Most external bank debt is subject to Annual review, and hence is classified as a current liability. The Group has never experienced a repayment event following such a review. Current assets include inventory that is expected to be realised in the ordinary course of business in the next financial year. Non-current inventory could be realised at short notice if required.

Total assets exceed total liabilities resulting in total equity of $112.8 million.

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 Capital 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 2026, there were 97 exchanged contracts on hand with a gross revenue value of $76.1 million.

1. The Equal Access Buyback included a capital and dividend portion.

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 amenities 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.









Acquired	2002
Residential yield	1,500 with potential expansion
Commercial sites built to date-complete to 30 June 2026	South Jerrabomberra Community Centre
Settled to 30 June 2026	760 residential lots; 24Ha commercial
Remaining life	6-7 years
Village % ownership	68.57%

Project Progress 2026

South Jerrabomberra has been a hive of activity over the last 12 months. Major developments include settlements continuing across Stages 2B and 2C and the construction of the second part of Stage 2B and commencing in Stage 2E. On top of the residential sales, settlement of our first commercial lot (for a childcare centre) occurred in June 2026.
The South Jerrabomberra Community Centre and Town Park opened in November 2025 and the Speargrass Community Park (including Dog Park) opened in September 2025, both of which quickly became significant facilities attracting visitors from across the Capital region. Significant progress has been made on the Town Centre and commercial opportunities, with a number of tenants in advanced negotiations on lease agreements and an offer to purchase received for the second commercial lot contract of sale (for a service station) being received in April 2026. The contract for this second commercial lot exchanged during August 2026.

Outlook for 2027

A master plan for the undeveloped areas has been completed, which has included the redesign of stages to introduce smaller lot sizes. This has caused delays to the commencement of the next stages, although this has established a more logical delivery strategy that incorporates lot sizes that meet market expectations, which can be delivered in an efficient and effective manner for the remainder of the project.

During the reporting period, small lot house and land packages were released based upon the Woodlinks' Bronte house design. The offer was at an affordable price point and was well received by the market. Additional market affordable house and land packages are being developed that can be repeated across the remainder of the project and these will be included in future stages.



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 single contract, completed homes.

Acquired	April 2015
Residential yield (total lots)	940 Lots
Commercial yield	1 childcare centre site 1 commercial site (fast food and service station)
Settled to 30 June 2026	677 residential lots, 1 childcare centre & 1 commercial site
Remaining life	4 years
Village % ownership	74.02%



Project Progress 2026

Construction activity remained strong throughout FY26, with housing delivery continuing across Stages 18, 13, 25 and 6. During the year, 43 homes were completed and handed over, while a further 68 homes were under construction, supporting continued growth in housing productivity targets.

Significant progress was also achieved across the civil construction program. Civil works for Stage 26 (48 lots) were completed, enabling housing delivery to commence, while Stage 27 (43 lots) progressed through construction.

The upgrade of the original Woodlinks entry to a signalised intersection was also completed, improving access to the community and supporting future development stages.

A key milestone during the year was the approval of an amendment to the adjacent Six Mile Creek development, increasing the approved yield.

Despite softer market conditions emerging during the final quarter of FY26, the project is moving into FY27 with a strong pipeline of 58 exchanged contracts. To date, 677 settlements have been achieved.





Outlook for 2027 and beyond

Stage 27 civil works are expected to be completed in Q1 FY27, with bulk earthworks and Stage 1 civil works at Six Mile Creek commencing thereafter. Housing construction will continue across Stages 25, 26 and 27, as well as Stage 1 at Six Mile Creek.

Design, approval and procurement activities will continue across future stages of Woodlinks and Six Mile Creek to support ongoing project delivery.

The recently approved amendment to the Six Mile Creek land has increased project yield by 10 lots, and a further amendment is being pursued with the potential to increase yield from approximately 130 lots to 145 lots. This will support the delivery of a broader range of affordable housing options while maximising the long-term value of the project.



The Realm Austral 5, Sydney NSW

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.

Acquired	March 2022
Residential yield (total lots)	26 dwellings
Settled to 30 June 2026	23 dwellings
Remaining life	2-3 years (expected completion date – 30 June 2029)
Village % ownership	100%

Project Progress 2026

One of the last four available lots at Austral 5 settled in November 2025.

Outlook for 2027 and beyond

Two of the remaining three lots are expected to settle during FY2027, subject to the removal of the temporary sewer pump station. The final lot is expected to remain off the market until at least FY2028, and potentially FY2029, as it currently functions as a turning head. This infrastructure can only be removed once development immediately to the north has substantially commenced. At this stage, there is no confirmed timeframe for this to occur.

Fetherston, Weston, ACT

Project overview

Fetherston is an attractive, elevated mixed-use site located on the former Australian Federal Police Training College in Weston, an inner suburb of Canberra. The current development strategy comprises 168 townhouses together with separate sites for seniors living, childcare and health-related uses. Village owns 96.33% of the project following the acquisition of most of the minority interests in the project syndicate during the 2025 financial year.

Acquired	November 2017
Residential yield (total lots)	168 dwellings
Built form yield	168 dwellings (townhouses)
Commercial yield	Senior site – 15,465 sqm Healthcare site – 3,000 sqm Childcare site – 3,100 sqm
Status at 30 June 2026	Subdivision civil works completed and operational acceptance received Built form DA approved Subdivision title registration in progress. Townhouses released to market Construction documentation in progress
Remaining life (townhouses)	4-5 years (expected completion date – 30 June 2031)
Village % ownership	96.33%



Project Progress 2026

During the 2026 financial year, the Company progressed and substantially completed the civil works required to subdivide and service the residential, seniors living/aged care, childcare and health precinct sites. Operational acceptance for the subdivision works was received in June 2026, with the subdivision title registration process progressing following the end of the financial year.

The development application for 168 townhouses was lodged in September 2025 and approved in June 2026. The townhouses were also released to the market, with sales and marketing activities progressing during the year.

Outlook for 2027 and beyond

The subdivision titles are expected to be registered during August/ September 2026, enabling settlement of the contracted childcare site. The Company will continue to assess sale and development opportunities for the seniors living and healthcare sites.

For the residential component, the Company will progress post-approval documentation, building approval coordination, presales, construction procurement and project funding. Subject to presales and funding requirements, construction of the initial townhouse stages is currently expected to commence in early 2027.

The 168 townhouses are planned to be delivered progressively across seven stages, with final project completion currently forecast during the 2031 financial year.

The development application for 168 townhouses was lodged in September 2025 and approved in June 2026.

Rutledge St, Queanbeyan NSW



Project overview

Rutledge Street is a mixed-use apartment development site located in central Queanbeyan on the site of the former Council offices. Village acquired the site in March 2022, with settlement occurring in November 2024. The current development approval provides for 178 residential apartments, two basement levels and ground-floor commercial premises.

Acquired	March 2022
Residential Yield (Total apartments)	178 dwellings (Current DA)
Built Form Yield (specs and split)	178 dwellings (apartments) (Current DA)
Commercial Yield	1,852 m^2
Status at 30 June 2026	DA approved
Village % Ownership	100%

Since the development application was approved in November 2024, changes in interest rates and financing conditions, a softening residential apartment market, continued construction cost escalation, and changes and uncertainty in the policy environment relating to capital gains tax and negative gearing have adversely affected the project's current development feasibility.

In May 2026 management identified indicators of impairment and therefore obtained an external assessment of the site's market value resulting in the carrying value being written down to its estimated recoverable amount of $7.9 million.

Village is therefore undertaking a strategic review of the project and assessing a range of alternative options, including the potential sale of the site and changes to the proposed development form or use. Post 30 June 2026 an external sales agent was engaged to sell the site.





Talpa Estate, Googong NSW

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.



Joint venture start date	2002
Residential yield (total lots)	51 dwellings (Current DA)
Status at 30 June 2025	DA approved, construction commenced
Remaining life	2-3 years
Village % ownership	40%

Stage 1A of Talpa Estate commenced construction in late 2025 with Bulk Earthworks and completion of Civil Works (1A1) expected by October 2026. As a risk measure and slower land sales Stage 1A has been split into 1A1 (17 lots) and 1A2 (8 lots). Stage 1A2 is expected to commence and complete construction in FY 2027. Stage 1B will proceed in FY 2028 pending sales rates. To improve sales rates proposals are currently being assessed for house and land packages and dual occupancy subdivision.

The preparation of reports and documentation to inform a rezoning over Stage 2 of the land will continue in FY 2027 with timing for the lodgement of a planning proposal still to be determined.

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 is undergoing 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 between 1,100 and 1,300 lots. 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. Negotiations are ongoing with adjoining landowners to further expand the holding.

During the year, the Company continued to advance its strategic position within the Waraba Priority Development Area through ongoing planning, stakeholder engagement, and infrastructure coordination activities, strengthening the landholding as a significant long-term development opportunity within one of South East Queensland's key growth corridors. The Company continues to monitor infrastructure delivery and funding programs to bring forward the project's development horizon.



Significant changes in the state of affairs

There were no 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 2026 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 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.

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 2026 and up to the date of this report.

Rounding of amounts

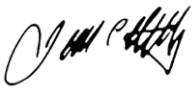
Amounts in this report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument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

22 September 2026
Canberra

Auditor's Independence Declaration

to the directors of The Village Building Co. Limited

Shape the future
with confidence

Ernst & Young
121 Marcus Clarke Street
Canberra ACT 2600 Australia
GPO Box 281 Canberra ACT 2601

Tel: +61 2 6267 3888
ey.com/au

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 2026, 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.

Ernst & Young

Andrew Webber
Partner
22 September 2026

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Income Statement

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue – Land, house & land and units	2	42,250	93,239
Revenue – Project management	2	229	32
Cost of sales	3	(27,838)	(66,886)
Gross profit		**14,641**	**26,385**
Gain on disposal of subsidiary	2	–	2,940
Gain from the remeasurement of investment property	2	3,774	–
Fair value (loss)/gain on remeasurement of investment	2	(21)	2,592
Expenses			
Project management expenses	4	(13,900)	(16,363)
Administration expenses	4	(3,033)	(2,911)
Impairment expense	4	(7,389)	–
Restructuring expenses	4	(1,130)	–
		(25,452)	**(19,274)**
Operating (loss)/profit		**(7,058)**	**12,643**
Finance income	5	1,710	3,128
Finance costs	5	(8,225)	(7,596)
Net finance costs		**(6,515)**	**(4,468)**
Share of loss from joint venture		(191)	(54)
Other income	2	87	1,386
(Loss)/Profit before tax from continuing operations		**(13,677)**	**9,507**
Profit before tax for the year from discontinued operations	6	–	2,196
Income tax benefit/(expense) from continuing operations	7	**4,369**	**(2,666)**
Income tax expense from discontinued operations	6, 7	–	(676)
(Loss)/Profit after tax for the year from continuing operations		**(9,308)**	**6,841**
Profit after tax for the year from discontinued operations	6	–	1,520
(Loss)/Profit for the year		**(9,308)**	**8,361**
(Loss)/Profit for the year is attributable to:			
Owners of The Village Building Co. Limited		(10,358)	5,961
Non-controlling interests		1,050	2,400
		(9,308)	**8,361**
Total comprehensive income for the year is attributable to:			
Owners of The Village Building Co. Limited		(10,358)	5,961
Non-controlling interests		1,050	2,400
		(9,308)	**8,361**

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

Consolidated Balance Sheet

As at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and short-term deposits	8	27,952	48,864
Receivables	10	5,485	2,450
Inventories	11	76,007	69,955
Income tax receivable		1,829	755
Equity-accounted investment	12	–	2,591
Prepayments		859	751
Total current assets		**112,132**	**125,366**
Non-current assets			
Inventories	11	214,332	200,492
Equity-accounted investment	12	2,459	822
Property, plant and equipment	13	1,119	1,174
Intangible assets	15	29	24
Right-of-use assets	16	1,889	2,336
Other financial assets		239	273
Investment properties	14	11,000	–
Total non-current assets		**231,067**	**205,121**
Total assets		**343,199**	**330,487**
Liabilities			
Current liabilities			
Payables	17	9,483	10,274
Borrowings	18	149,018	112,673
Provisions	19	1,089	1,636
Lease liabilities	16	239	269
Total current liabilities		**159,829**	**124,852**
Non-current liabilities			
Borrowings	18	66,142	68,957
Provisions	19	264	189
Lease liabilities	16	1,721	2,010
Deferred tax liabilities	7	2,404	6,773
Total non-current liabilities		**70,531**	**77,929**
Total liabilities		**230,360**	**202,781**
Net assets		**112,839**	**127,706**
Equity			
Issued capital	20	56,745	55,325
Reserves	21	4,590	4,590
Retained earnings		21,499	38,703
Equity attributable to the Owners of The Village Building Co. Limited		**82,834**	**98,618**
Non-controlling interests		30,005	29,088
Total equity		**112,839**	**127,706**

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 2026

	Note	20	21			
		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
Total comprehensive income for the year		**–**	**–**	**5,961**	**2,400**	**8,361**
Transactions with owners in their capacity as owners:						
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 equity to ordinary shares		–	(3)	–	–	(3)
Employee share scheme		(119)	–	–	–	(119)
De-recognition of subsidiary		–	–	315	–	315
Return of capital to non-controlling interest		–	–	–	(7,248)	(7,248)
NCI (increase)/reduction – loss of control of subsidiary		–	–	–	(8,722)	(8,722)
Dividend reinvestment		1,423	–	–	–	1,423
Dividends paid		–	–	(9,755)	(2,658)	(12,413)
Share buy-back		(712)	–	–	–	(712)
Balance at 30 June 2025		**55,325**	**4,590**	**38,703**	**29,088**	**127,706**

	Note	20	21			
		Issued capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2025		**55,325**	**4,590**	**38,703**	**29,088**	**127,706**
(Loss) after tax for the year		–	–	(10,358)	1,050	(9,308)
Total comprehensive income for the year		**–**	**–**	**(10,358)**	**1,050**	**(9,308)**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs		1,426	–	–	915	2,341
Buy-back of employee shares		(185)	–	–	–	(185)
Recognition of subsidiary		–	–	–	27	27
Profit distributions to non-controlling interest		–	–	–	(1,050)	(1,050)
Dividend reinvestment		904	–	–	–	904
Share buy-back		(725)	–	–	–	(725)
Dividends paid		–	–	(6,846)	–	(6,846)
Other		–	–	–	(25)	(25)
Balance at 30 June 2026		**56,745**	**4,590**	**21,499**	**30,005**	**112,839**

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 2026

	Note	2026 $'000	2025 $'000
Cash flows from/(used in) operating activities			
Receipts from customers		45,928	114,421
Payments to suppliers and employees		(20,021)	(37,416)
Restructuring expenses		(1,130)	–
Purchase of land for development		(2,170)	(12,739)
Payments to suppliers for development inventory		(53,404)	(67,733)
Dividend income		27	27
Interest received		1,368	2,067
Interest paid		(14,376)	(14,898)
Income tax paid		(1,075)	(8,489)
Net cash from/(used in) operating activities	9	**(44,853)**	**(24,760)**
Cash flows from/(used in) investing activities			
Payments for property, plant and equipment	13	(259)	(5,517)
Proceeds from disposal of property, plant and equipment		19	1,492
Net proceeds from the sale of The Big Banana Group Limited shares		2,570	9,918
Investment in joint venture		(4,658)	90
Net cash from/(used in) investing activities		**(2,328)**	**5,983**
Cash flows (used in)/from financing activities			
Proceeds from borrowings		76,841	48,693
Repayment of borrowings		(44,583)	(50,310)
Principal elements of lease payments	16	(428)	(206)
Proceeds from issue of shares		518	5,280
Dividends paid – convertible redeemable preference shares		(1,638)	(1,777)
Dividends paid – ordinary shares		(4,029)	(7,690)
Dividends paid – equal access buy-back		(275)	(288)
Dividends paid – non-controlling interest (The Big Banana Group Limited)		–	(639)
Contributions from non-controlling interest		915	2,935
Return of capital to non-controlling interest		–	(7,646)
Profit distributions to non-controlling interest		(1,052)	(2,165)
Net cash (used in)/from financing activities		**26,269**	**(13,813)**
Net increase/(decrease) in cash and short-term deposits		(20,912)	(32,590)
Cash and short-term deposits at the beginning of the financial year		48,864	81,454
Cash and short-term deposits at the end of the financial year		**27,952**	**48,864**

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 2026

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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 2026.

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 2600.

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

Note 2. Revenue

	2026 $'000	2025 $'000
Customer contract revenues		
Land, house & land and units	42,250	93,239
Project management	229	32
Gains		
Remeasurement of Investment Property to Fair value	3,774	–
Gain on disposal of subsidiary	–	2,940
Fair value (loss)/gain on remeasurement of investment	(21)	2,592
Other income		
Rental income	83	94
Dividend income	27	732
Other	(23)	560
Total other income	**87**	**1,386**

To the extent the Group has contract assets and liabilities, they are detailed in notes 10 and 17.

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.

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 (loss)/gain on the sale of assets.

(Loss)/Gains on sale of assets relate to the (loss)/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

	2026 $'000	2025 $'000
Cost of sales		
Cost of sales – development	27,838	66,886
Total cost of sales	**27,838**	**66,886**

Note 4. Expenses

	2026 $'000	2025 $'000
Profit before income tax includes the following specific expenses:		
Project management expenses		
Employee benefits expense	9,560	9,536
Direct project costs	1,402	1,700
Marketing expense	1,036	2,956
Other	968	971
Office administration	934	1,200
Total project management expenses	**13,900**	**16,363**
Administration expenses		
Insurance expense	877	949
Depreciation and amortisation expense	652	417
Employee benefits expense	644	720
Other	513	390
Auditor's remuneration (refer note 25)	347	383
Office administration	–	52
Total administration expenses	**3,033**	**2,911**
Impairment expense		
Inventory impairment – Rutledge Street, Queanbeyan	**7,389**	**–**
Restructuring expenses		
Restructuring Expense	**1,130**	**–**

Impairment expense

An impairment expense has been recognised in relation to the Rutledge Street development site in Queanbeyan. Management identified indicators of impairment arising from construction cost escalation and a weakening in the residential apartment market. An external assessment of the site's market value was obtained resulting in the carrying value being written down to its estimated recoverable amount of $7.9 million. See Note 11 for more information.

Restructuring expense

Restructuring expenses were incurred as part of a transition in management and implementation of a new strategic plan.

Note 5. Net finance costs

	2026 $'000	2025 $'000
Finance income		
Interest income	1,371	1,947
Re-measurement of debt component – convertible redeemable preference shares	339	1,181
Total finance income	**1,710**	**3,128**
Finance costs		
Interest expense – bank financing	(9,145)	(8,877)
Interest expense – secured notes	(6,446)	(6,027)
Interest expense – convertible redeemable preference shares	(1,611)	(1,500)
Interest expense – leases	(161)	(63)
	(17,363)	**(16,467)**
Finance costs capitalised	9,138	8,871
Total finance costs	**(8,225)**	**(7,596)**
Net finance costs	**(6,515)**	**(4,468)**

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.

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.

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 which was completed by 30 June 2026.

The sale of The Big Banana Group Limited was completed in three tranches, with the first occurring 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 was completed by 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. During the year ended 30 June 2026, the Group disposed of its remaining interest in the investment and, accordingly, no investment in The Big Banana Group Limited was recognised at 30 June 2026.

	30 June 2026 $'000	30 June 2025 $'000
Revenue – Trading Income – Retail Sales	–	12,631
Cost of sales	–	(1,925)
Gross profit	**–**	**10,706**
Expenses		
Project management expenses	–	(454)
Administration expenses	–	(8,107)
	–	**(8,561)**
Operating profit	**–**	**2,145**
Finance income	–	120
Finance costs	–	(348)
Net finance costs	**–**	**(228)**
Other income	–	279
Profit before tax	**–**	**2,196**
Income tax expense	–	(676)
Profit after tax for the year	**–**	**1,520**
Other comprehensive income for the year, net of tax	–	–
Profit for the year	**–**	**1,520**

	30 June 2026 $'000	30 June 2025 $'000
Assets		
Cash and short-term deposits	–	–
Receivables	–	–
Inventory	–	–
Prepayment	–	–
Property, plant and equipment	–	–
Assets held for sale	**–**	**–**
Liabilities		
Payables	–	–
Income tax payable	–	–
Borrowings	–	–
Provisions	–	–
Dividends payable	–	–
Deferred tax liability	–	–
Liabilities directly associated with assets held for sale	**–**	**–**
Net assets directly associated with disposal group	**–**	**–**

Equity-accounted associate

	June 2026 $'000	June 2025 $'000
The Big Banana Group Limited shares	–	2,591
	–	**2,591**

Disposal of subsidiary and business during the year ending 30 June 2025

	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**

Note 7. Income tax

(i) Income tax expense

	2026 $'000	2025 $'000
The major components of tax expense are:		
Income tax expense		
Current tax:		
Current income tax charge	–	97
	–	97
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,874)	2,569
Carried forward losses	8,243	–
	4,369	2,569
Income tax expense reported in the income statement	**4.369**	**2,666**
Tax reconciliation		
Reconciliation of tax expense and the accounting (loss)/profit at the statutory tax rate is:		
Accounting (loss)/profit before tax from continuing operations	(13,676)	9,507
Accounting profit before tax from a discontinued operation	–	2,196
Accounting (loss)/profit before income tax	**(13,676)**	**11,703**
Tax at the statutory tax rate of 30% (2025: 30%)	(4,103)	3,511
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	78	3
	(4,025)	3,514
Adjustment recognised for prior periods:		
De-recognition of previously recognised temporary differences	(344)	(172)
Income tax expense	**(4,369)**	**3,342**
Income tax (benefit)/expense reported in the statement of profit or loss	(4,369)	2,666
Income tax (benefit)/expense attributable to a discontinued operation	–	676
	(4,369)	**3,342**

(ii) Movement in deferred tax balances

2026 $'000	Net balance at 1 July	Charged to profit or loss	Net balance at 30 June	Deferred tax assets	Deferred tax liabilities
Parent's share of Syndicate accrued revenue assessable on settlement*	(5,744)	(1,958)	(7,702)	–	(7,702)
Interest, borrowing and holding costs capitalised to inventories	(7,447)	(2,430)	(9,877)	–	(9,877)
Timing differences relating to tax cost base of inventory	1,235	151	1,386	1,386	–
Accrued expense deductible when paid	1,406	(506)	900	900	–
Parent's share of Syndicate deferred tax balances	4,199	2,061	6,260	6,311	(51)
Carried forward tax losses	–	8,243	8,243	8,243	–
Investment Property	–	(1,131)	(1,131)	–	(1,131)
Others	(422)	(61)	(483)	71	(554)
Deferred tax assets/(liabilities) before set-off	**(6,773)**	**4,369**	**(2,404)**	**16,911**	**(19,315)**
Set-off of deferred tax	–	–	–	(16,911)	16,911
Net deferred tax liabilities	**(6,773)**	**4,369**	**(2,404)**	**–**	**(2,404)**

* 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.

2025 $'000	Net balance at 1 July	Charged to profit or loss	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)**	
Deferred tax liabilities, net		**(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.

(iii) Franking credits

	2026 $'000	2025 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	5,533	8,885

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.

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.

Note 8. Cash and short-term deposits

	2026 $'000	2025 $'000
Cash at bank and on hand	4,943	27,657
Short-term deposits	23,009	21,207
Cash and short-term deposits	**27,952**	**48,864**

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

	2026 $'000	2025 $'000
Profit before income tax	(13,677)	11,703
Adjustments for:		
Inventory Impairment	7,389	–
CRPS interest expense	1,611	1,500
Depreciation and amortisation	652	1,183
Share of loss from joint venture	189	54
Other non-cash items	82	–
Unrealised loss on other financial assets	34	13
Net gain on disposal of property, plant, and equipment	16	(451)
Net loss on modification of lease	(5)	(2)
Dividend declared not paid	–	(705)
Gain on disposal of subsidiary	–	(2,940)
Accrued project management fees	(229)	(21)
CRPS remeasurement	(339)	(1,181)
Fair value gain on remeasurement of investment	–	(2,592)
Fair value gain on remeasurement of investment property	(3,774)	–
Income tax paid	(1,074)	(8,489)
Change in operating assets and liabilities:		
Decrease/(Increase) in investments	2,591	–
Decrease/(Increase) in receivables	11	(1,089)
Decrease/(Increase) in inventories	(32,072)	(16,139)
Decrease/(Increase) in prepayments	(108)	599
Increase/(Decrease) in payables	(5,885)	(6,303)
Increase/(Decrease) in provisions	(265)	100
Net cash (used in)/from operating activities	**(44,853)**	**(24,760)**

Note 10. Receivables

	2026 $'000	2025 $'000
Trade receivables	2,439	482
Other receivables	–	1,968
Loans to related parties	3,046	–
	5,485	**2,450**

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 2026 and 30 June 2025.

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.

Note 11. Inventories

	2026 $'000	2025 $'000
Development inventory	259,496	246,791
Capitalised finance costs	30,842	23,656
Total inventories at the lower of cost and net realisable value	**290,339**	**270,447**
Current	76,007	69,955
Non-current	214,332	200,492
	290,339	**270,447**

For the year ended 30 June 2026 inventories recognised as cost of sales for the Group amounted to $27.8 million (2025: $66.9 million). For the year ended 30 June 2026 the Town Centre Lot at South Jerrabomberra was reclassified from inventory to investment property and revalued to its fair value of $11.0 million. See note 14 for more information.

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.

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 $9.1 million (2025: $8.9 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

Impairment of Inventory

During the year, management assessed the carrying amount of the Group's development inventory against its net realisable value, in accordance with AASB 102/IAS 2 *Inventories*. One development site's net realisable value was assessed against a sales plan prepared by an independent expert, incorporating a feasibility analysis and estimated sales values for the project.

A write-down of $7.38 million has been recognised as an impairment expense in the consolidated income statement for the year (2025: $nil). The write-down arose as a result of estimated recoverable value for the site, as reflected in the JLL sales plan and supporting feasibility analysis, being lower than the costs accumulated against the inventory.

The assessment determined that the net realisable value of this site was below its carrying amount at cost, and accordingly a write-down to net realisable value was recognised during the year.

Note 12. Equity-accounted investment and associate

	2026 $'000	2025 $'000
Current		
Investment in associate – The Big Banana Group Limited	–	2,591
	–	**2,591**
Non-current		
Investment in joint venture – Talpa Joint Venture	2,459	822
	2,459	**822**
	2,459	**3,413**

The Group sold its remaining shares in The Big Banana Group Limited during the year ending 30 June 2026.

The Group has a 50% interest in the Talpa Joint Venture, a joint venture to develop a parcel of land in New South Wales. 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 as at 30 June 2026 and 30 June 2025. The Talpa Joint Venture cannot distribute its profits without consent from the two joint venture partners.

Accounting for Investment in joint ventures and associates

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

	2026 $'000	2025 $'000
Plant and equipment – at cost	4,788	4,600
Less: Accumulated depreciation	(3,669)	(3,426)
	1,119	**1,174**
	1,119	**1,174**

Reconciliations

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

2026	Land $'000	Plant and equipment $'000	Buildings on freehold land $'000	Buildings on leasehold land $'000	Total $'000
Balance at 30 June 2025	**–**	**1,174**	**–**	**–**	**1,174**
Additions	–	245	–	–	245
Disposals	–	(15)	–	–	(15)
Depreciation expense	–	(285)	–	–	(285)
Balance at 30 June 2026	**–**	**1,119**	**–**	**–**	**1,119**
	–	**1,119**	**–**	**–**	**1,119**

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 discontinued operations	(4,908)	(11,492)	(4,181)	–	(20,581)
	–	**1,174**	**–**	**–**	**1,174**

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.

Note 14. Investment property

During the year ended 30 June 2026, the Town Centre land lot was reclassified from inventories to investment property following a change in use, after the Board approved holding the lot for long-term lease. During the year management actively sought tenants for the town centre and have successfully signed heads of agreements with an anchor supermarket and chemist. The property was transferred at its carrying value of $7.2 million to investment property and subsequently revalued to its fair value, of $11.0 million, based on an independent external valuation obtained. The resulting $3.8 million fair value uplift was recognised in the profit or loss in accordance with AASB 140.63.

	2026 $'000	2025 $'000
Investment property – at fair value	11,000	–

The Group's investment property consists of the Town Centre lot owned at South Jerrabomberra NSW. The Group has determined that the investment property consists of one class of asset based on the nature, characteristics, and risks of the property.

There was no rental income derived from the investment property during the year and the Group did not incur any operational expenses in relation to the property.

Reconciliations

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

2026	Land $'000	Total $'000
Balance at 30 June 2025	–	–
Transfer from inventories	7,226	7,226
Net gain on fair value adjustment	3,774	3,774
Balance at 30 June 2026	**11,000**	**11,000**

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop the investment property or for repairs, maintenance and enhancements.

Accounting for investment properties

Investment property is initially measured at cost, including transaction costs. After initial recognition, investment property is measured at fair value, with gains or losses arising from changes in fair value recognised in profit or loss in the period in which they arise. Fair value is determined in accordance with AASB 13/IFRS 13 by reference to the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. For FY26, the fair value of the Town Centre land is based on an independent valuation report.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to (or from) investment property only when there is a change in use. Where property is transferred from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss, in accordance with AASB 140.63.

The Group is in the process of developing the land for the Town Centre. As at 30 June 2026, construction had not yet commenced and accordingly no investment property under construction (work in progress) had been recognised. As at that date, the Group had not entered into a contract for the construction of the Town Centre and therefore had no capital commitments to disclose; any such commitments will be disclosed in the period a construction contract is executed.

Note 15. Intangible assets

	2026 $'000	2025 $'000
Intangible assets – at cost	259	243
Less: Accumulated amortisation	(230)	(219)
	29	**24**

Reconciliations

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

2026	Software $'000	Total $'000
Balance at 30 June 2025	**24**	**24**
Additions	16	16
Disposals	(1)	(1)
Amortisation expense	(10)	(10)
Balance at 30 June 2026	**29**	**29**

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**

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 are 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 16. Right-of-use assets/lease liabilities

(i) Right-of-use assets

	2026 $'000	2025 $'000
Opening balance	2,336	180
Additions	–	2,343
Disposals	(78)	(2)
Depreciation expense	(355)	(180)
Make good provision expense	(14)	(5)
Closing balance	**1,889**	**2,336**

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

(ii) Lease liabilities

	2026 $'000	2025 $'000
Current	239	269
Non-current	1,721	2,010
Total lease liabilities	**1,960**	**2,279**

Maturity analysis

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

	2026 $'000	2025 $'000
Less than 1 year	407	464
Later than 1 year but not later than 5 years	2,133	2,265
Later than 5 years	–	327
Total	**2,540**	**3,056**

(iii) Amounts recognised in the consolidated income statement

	2026 $'000	2025 $'000
Depreciation charge on right-of-use assets	356	180
Interest expense on lease liabilities (disclosed in finance costs)	161	63
Short-term leases expense (disclosed in project management expenses – office administration)	73	91
Total amounts recognised in the consolidated income statement	**590**	**334**
Total cash outflows for leases	(428)	(206)

Note 17. Payables

	2026 $'000	2025 $'000
Trade payables	1,980	962
Other payables	3,877	2,361
Accrued development expenses	3,436	6,723
Other accrued expenses	190	228
	9,483	**10,274**

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.

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 18. Borrowings – financial liabilities

	Weighted average interest rate %	Maturity	2026 $'000	2025 $'000
Current interest-bearing borrowings				
Bank loans	7.83%	< 1 year	100,496	99,693
Secured notes	8.35%	< 1 year	39,064	12,041
Convertible redeemable preference shares	12.60%	< 1 year	9,458	939
			149,018	**112,673**
Non-current interest-bearing borrowings				
Bank loans	7.36%	2 to > 5 years	25,735	5,031
Secured notes	9.32%	2 to < 5 years	37,639	53,912
Convertible redeemable preference shares	11.20%	2 to < 3 years	2,768	10,014
			66,142	**68,957**
			215,160	**181,630**

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. Certain loans are subject to annual review processes and are therefore shown with a maturity of less than one 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, $76.7 million (2025: $66.0 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 holders' entitlement to a dividend is subject to the directors' absolute discretion and dividends are non-cumulative.

The current dividend policy is to pay an annual dividend of 11.2 (2025: 11.2) cents per share on Tranche 1 ('CRPS-1') and 12.6 (2025: 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.

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 19. Provisions

	2026 $'000	2025 $'000
Current		
Employee entitlements	1,089	1,636
	1,089	**1,636**
Non-current		
Employee entitlements	124	49
Make good provision	140	140
	264	**189**
	1,353	**1,825**

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.

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 20. Issued capital

Issued shares

	2026 Shares	2025 Shares	2026 $'000	2025 $'000
A class ordinary shares – fully paid	60,263,799	59,369,437	54,747	53,370
B class ordinary shares – fully paid	2,101,448	2,069,508	1,998	1,955
	62,365,247	**61,438,945**	**56,745**	**55,325**

Movements in A class share capital

Details	Shares	Issue price	$'000
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 Buy-back	(692,378)	$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**
Dividend reinvestment	677,946	$1.25	848
Equal Access Buy-back	(787,052)	$0.91	(713)
Share issue	50,000	$1.40	70
Share issue	1,084,873	$1.25	1,356
Employee Share Scheme – buy-back	(130,669)	$1.40	(183)
Employee Share Scheme – buy-back	(736)	$1.25	(1)
Closing balance – 30 June 2026	**60,263,799**		**54,747**

Movements in B class share capital

Details	Shares	Issue price	$'000
Closing balance – 30 June 2024	**2,032,160**		**1,868**
Dividend reinvestment	73,226	$1.25	90
Equal Access Buy-back	(109,916)	$0.88	(97)
Share issue	74,038	$1.25	94
Closing balance – 30 June 2025	**2,069,508**		**1,955**
Dividend reinvestment	44,888	$1.25	57
Equal Access Buy-back	(12,948)	$0.95	(14)
Closing balance – 30 June 2026	**2,101,448**		**1,998**

A class ordinary share

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 21. Reserves

	2026 $'000	2025 $'000
Convertible Redeemable Preference Share ('CRPS') reserve	4,590	4,590

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.

Note 22. 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 29:

Name	Principal activities	Project
Argyle Building Pty Limited	Building construction	Trilogy Place at South Morang
Argyle Building (Qld) Pty Limited	Building construction	Woodlinks at Collingwood Park
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	ACT and NSW Projects
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 23. 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 29:

Name	Project	Proportion of equity interest held by non-controlling interests:	
		2026	2025
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%	27.73%
Canberra Estates Consortium No. 68 Pty Limited	Fetherston at Weston	3.35%	3.35%
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%

Note 24. 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 22 and note 23.

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.

	2026 $'000	2025 $'000
Sales to related parties		
Key management personnel	–	50
Other related parties	1,765	5,028
Purchases from related parties		
Other related parties	9,778	8,531
Amounts owed to related parties*		
Other related parties	49	12

* Theses amounts are classified as trade payables and are included in note 17.

Loans to/from related parties

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

	2026 $'000	2025 $'000
Amounts owed to related parties		
Secured notes	2,890	2,411
CRPS accounted for as debt	8,303	8,093
Interest/dividend paid		
Secured notes	297	333
CRPS accounted for as debt	1,038	1,036

Compensation of key management personnel of the Group

Compensation expense of key management personnel amounted to $2,532,224 during the year ended 30 June 2026 (2025: $1,985,601).

Terms and conditions

All transactions with related parties are made on normal arms' length commercial terms and conditions. Purchases from related parties include consulting services and civil engineering works. 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.

Note 25. 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.

	2026 $'000	2025 $'000
Bank guarantees outstanding	504	1,147
Insurance bonds outstanding	13,075	16,192
Other guarantees outstanding	246	259
	13,825	**17,598**

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:

	2026 $'000	2025 $'000
Subsidiaries	126,232	104,501

Contractual commitments for the acquisition of land

As at 30 June 2026, the Group had a contractual commitment for the settlement of a land purchase for a project totalling $40.1 million (2025: $29.7 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 26. 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:

	2026 $	2025 $
Auditors of the Group – Ernst and Young		
Audit of financial reports of the Group, Company and controlled entities	312,113	358,194
Audit of regulatory returns	18,720	30,160
Other audit services	16,640	20,800
Total services provided by Ernst and Young	**347,473**	**409,154**
Auditor's remuneration attributable to discontinued operations	–	(26,060)
	347,473	383,094

Note 27. Parent entity information

Income statement

	Parent	
	2026 $'000	2025 $'000
Total revenue	14,410	28,926
Cost of sales	(100)	(600)
Total expenses – Project management	(12,625)	(13,385)
Total expenses – Administration	(1,993)	(1,473)
Share of loss from joint venture	–	–
Impairment of assets	(5,558)	(26)
Net finance costs	(5,901)	(4,615)
Profit before income tax	**(11,767)**	**8,827**
Income tax (expense)/benefit	2,473	(1,755)
Profit after income tax	**(9,294)**	**7,072**

Balance sheet

	Parent	
	2026 $'000	2025 $'000
Current assets	47,617	52,922
Non-current assets	116,480	106,954
Total assets	**164,097**	**159,876**
Current liabilities	60,123	18,401
Non-current liabilities	59,102	81,882
Total liabilities	**119,225**	**100,283**
Net assets	**44,872**	**59,593**
Equity		
Issued capital	56,746	55,325
Reserves	4,590	4,590
Retained earnings	(16,464)	(322)
Total equity	**44,872**	**59,593**

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 25.

Commitments and Contingent liabilities

Except for the commitments disclosed in note 25, 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 29, 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 28. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2026 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 29. 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.

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 2026 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.

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 2025 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.

Note 30. 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 because 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 likeliness 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.

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 2026

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	0%	Australia
The Big Banana Pty Ltd*	Theme & Water park	Australia	0%	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	72.02%	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 2026

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:

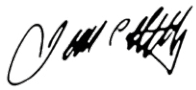
  (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

  (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

22 September 2026
Canberra

Independent Auditor's Report

To the members of The Village Building Co. Limited

Shape the future with confidence

Ernst & Young
121 Marcus Clarke Street
Canberra ACT 2600 Australia
GPO Box 281 Canberra ACT 2601

Tel: +61 2 6267 3888
ey.com/au

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 (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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, the consolidated entity disclosure statement 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 2026 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 obtained at the date of this auditor's report is the directors' report, Chairman's letter and Chief Executive Officer's letter, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we 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.

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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

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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.

Ernst & Young

Andrew Webber
Partner
Canberra
22 September 2026

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Corporate Directory

30 June 2026

Directors

John V. McCarthy AO – Chairman
Gavin Carrier
Albert Dabas
John Dietz
Michael De Simone Snr (Retired 30 June 2026)
Michael De Simone Jnr (from 1 July 2026)
John Harris
Stewart Hindmarsh
Loyd Perin
Madison Winnel (from 1 July 2026)
Robert Winnel AM (Retired 30 June 2026)

Company secretaries

Albert Dabas
Vincent Whiteside (Resigned 31 October 2025)
Robert Fisher
Julia Pooley (Appointed 18 November 2025)

Registered office

Suite 1, Level 4
14 Childers Street
Canberra City ACT 2600

Head office and regional offices

Canberra – Head Office

Suite 1, Level 4
14 Childers Street
Canberra City ACT 2600

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 2600

Solicitors/General Counsel

O'Connor Harris & Co
Level 6
161 London Circuit
Canberra ACT 2600

Tax agent

Maxim Chartered Accountants
Level 2
59 Wentworth Avenue
Kingston ACT 2604

Appendix A – List of Completed Projects

30 June 2026

Project Name, Location	State	Project Commencement	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 Commencement	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 at South Morang	VIC	2017	2025	242
TOTAL Products Completed				**16,648**

Ongoing projects

Project Name, Location	State	Project Commencement	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.


The Village
Building Co Est. 1988