

# Annual Report 2024

Neerim District Financial  
Services Limited  
Trading as Neerim District  
Community Enterprise

Community Bank  
Neerim District

ABN 46 091 832 923



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# Chairman's report

For year ending 30 June 2024



Community Bank Neerim District is your community bank. But it is so much more. Neerim District Financial Services Ltd (NDFS), that operates the Community

Bank, is a community enterprise whose vision is to help build a "flourishing, healthy and united Neerim District Community". With NDFS being committed to 85% of its profits being returned to support community activity, with a mission to be a catalyst for community development. It's a company that runs the Community Bank, your bank, for community good.

This has been an extremely positive, but demanding year for NDFS. Most importantly, following the adoption of a revised mission statement in the Company Constitution at the last AGM, NDFS was recognised by Social Traders as a "social enterprise" or what is known as a "company for good". This is a national recognition that the purpose of our company is primarily to serve our community.



Hand in hand with this, with the help of Bendigo Bank, NDFS have now registered a trading name of "Neerim District Community Enterprise", and introduced a logo, to promote the community work undertaken by the company on your behalf. A community enterprise, recognised by governments around Australia, is one which gives the majority of its profits back to its mission. The Board of Directors were proud that it contributed approximately \$150,000 to the community in the last year.

Of course, none of this would have been possible without the operation of the Community Bank, with the help of our wonderful team, led by the Branch Manager, Samantha Bullen. After the years of the pandemic, and periods without a manager, Samantha and the team have provided exceptional service over the last year. Not only does the team provide the only bank in our district, here to serve you, but do so with exceptional customer service. Without the work this team does, our contributions to the community would be so much less.

Our community engagement was very strong, with contributions to many local projects. These included supporting the new sun smart shade at the Bowling Club, the wildly successful biennial sculpture competition with Neerim District Progress Association, a new sign for the Secondary College, a number of new outstanding murals around the town, and new uniforms for the Netball teams, among many others. One of the most important community projects was to help secure a new permanent home for Food Relief Neerim District close to the centre of town.

One of the most important contributions that NDFS makes to our community is the provision of a Community Engagement Manager. It was with great sadness that Allan Crane decided to move on to fulfil a personal dream. Allan contributed so much to his role and the community will miss him, but we wish him well. However, we have been so lucky to be able to find a highly talented leader in Sarah Collier who took over this role at the beginning of the calendar year. She brings with her a wealth of experience and will make a valuable contribution to the community.

All in all, this was a very good year for NDFS, and our community, and the Board looks forward to playing a continued role in supporting the Neerim district in the coming years.

**William Clive Patrickson**  
Chairman

# Manager's report

For year ending 30 June 2024



It is my pleasure to present my second financial report as Branch Manager for the year ending 30 June 2024 on behalf of Community Bank Neerim District.

It has been a successful and fast moving 23/24 Financial Year. The banking environment as well as our whole economy has seen continuous change and have dealt with several adjustments and challenges.

Home Loan interest rate increases have been a concerning trend for many customers seeing them try and secure the best rate in a very competitive market. Our team has been working tirelessly on retaining our relationships with our existing customers whilst also building new relationships with new customers and growing our share in the market. With this increase we have also seen a slight increase in deposit rates enabling us to build on our portfolio and be competitive in this space.

I am proud of the dedicated, stable and well-trained staff we have here at Community Bank Neerim District. These staff members Cath Zelno, Donna Field, Jenny Cooper and Tara Brusco have continued to help me drive the business and our results for the Financial Year 30 June 2024. Our team is stronger and more focused on the customer, listening, helping and uncovering customers' needs and goals whilst providing them with solutions from our very competitive Bendigo Bank products. To my team, I would like to thank them sincerely for their continued effort whilst providing their knowledge and support to our customers.

I extend my thanks to our Board Chair, Clive Patrickson, the Board of Directors and our administration staff who continue to volunteer their time to ensure that Community Bank Neerim District remains strong, community focused and successful. Since opening 24 years ago we continue to put the community first contributing over \$150,000 through grants, scholarships and contributions for this Financial Year.

Thank you to Bendigo and Adelaide Bank Limited, our franchise partner, without your support and our connection we would not be able to develop and grow our partnerships within the local community.

Our shareholders, community groups, local clubs and of course our customers, I sincerely thank you all for choosing us, Community Bank Neerim District as your bank of choice. It is with your ongoing support, commitment and dedication that enables us to continue to grow and invest in our community year upon year. You are the voice, and our story needs to be told. Small communities like ours should have a bank and we are a testament.

Moving into the 2024 – 2025 financial year our strategy is to grow in footings and expand our customer base capitalising on the increasing number of new residents relocating into our Shire. With this I encourage our stakeholders, community sponsorships, community groups, grant recipients, friends, families, local businesses, locals and extended groups to support us, talk to our staff and move their banking to Community Bank Neerim District.

On behalf of Community Bank Neerim District, I thank you once again for your continued support and I look forward to another successful year ahead.

**Samantha Bullen**  
Branch Manager

# Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

**Justine Minne**  
**Bendigo and Adelaide Bank**

# Directors' report

For the financial year ended 30 June 2024

The Directors present their report on the Company for the financial year ending 30 June 2024.

1. The directors in office at any time during or since the end of the year are:



## Dr. Clive Patrickson

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Chairman

Age: 68

Appointed Director: 01 April 2022

Occupation: Executive Vice President and Registered Legal Practitioner

Clive comes to the Board with international business experience including as CEO of a global medical education company. He holds a Doctor of Philosophy degree in business, a Juris Doctor degree in law, and is a registered legal practitioner. He has had professional and volunteer experience with the not-for-profit sector locally and internationally. He now resides in the town of Neerim South and is committed to the continued development of a thriving Neerim District community being involved in multiple local groups.

Board Committees: HR and Governance Committee, Community Investment and Marketing Committee



## Mr. Peter Bain

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Deputy Chair

Age: 52

Appointed Director: 27 October 2011

Occupation: Retail Business Owner

Peter was appointed as a director in October 2011 and then as Deputy Chair in October 2018. Peter and his family moved to Neerim South in 2009 and own and run the local I.G.A. Supermarket. Peter has over 35 years' experience in grocery retailing and has a keen interest in supporting community organisations.

Board Committees: Community Investment and Marketing Committee, Finance Committee



## Ms. Alison Cleary

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Treasurer

Age: 50

Appointed Director: 27 August 2019

Occupation: Customer Experience Manager

Alison was appointed as a director in August 2019. Alison has lived in Neerim South for over 20 years with her partner and has two teenage daughters. Alison has been involved in many community groups over the years, including the Kinder, Tennis Club and Basketball Club. Alison brings to the board over 17 years' experience at a major financial institution.

Board Committees: Finance



## Directors' report (continued)

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### Mr. Bruce MacDougall

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Director

Age: 62

Appointed Director: 01 June 2019

Occupation: Chairman and Treasurer

Bruce joined Neerim District Financial Services at the end of 2017 as Company Secretary and Executive Officer. Bruce is a CPA and comes to us with over 35 years' experience in the Financial Services Industry including many years as CFO of a number of financial institutions both listed and unlisted. Bruce and his wife reside in Neerim South on a cattle and sheep farm they have had for over 12 years.

Board Committees: Finance Committee



### Mrs. Christie Bransgrove

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Director

Age: 43

Appointed Director: 01 April 2022

Occupation: Primary School Principal

Christie is a long-term local who has been involved in the education system since 2004. Christie is now the Principal of the Labertouche Primary School. She is well known in town for being an organiser of community events which include the Christmas Carols and Fireworks and of course, the hugely successful Winter Markets. Christie brings to the board a wealth of professional experience as well as a young family perspective, being the mother of three young girls.

Board Committees: None



### Mrs. Jennifer Lynne Prout

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Director

Age: 72

Appointed Director: 25 October 2012

Occupation: Retired

Jennie is the Principal of the Neerim South Primary School. She has been employed by the Department of Education (DE) since 1971. Jennie has been a school principal for more than 35 years at Hallora, Longwarry and Neerim South Primary Schools respectively.

Board Committees: Finance Committee



### Ms. Tricia Weickhardt

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Director

Age: 50

Appointed Director: 2 May 2023

Occupation: Paramedic

Tricia has over 20 years' experience as a paramedic and works in the Baw Baw Shire. Tricia and her family moved to Neerim over 9 years ago and come from a medical/allied health background. She supports the community in a variety of ways including the Pony Club and The Neerim South Primary School Parents and Friends Committee. She is well known for her efforts in organising and participating in fantastic fundraising events such as "Do It for Dolly" Day and Movie Nights.

Board Committees: None

## Directors' report (continued)

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### Paul Ford

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Director

Age: 74

Appointed Director: 27 August 2024

Occupation: Retired Dairy Technologist

Paul is respected for his leadership in Australia's dairy and agribusiness sectors. He has held a diverse array of senior executive positions in large corporate and small specialist organisations in both the private and public sector. Paul is an experienced Board member. Previous appointments have included the Dairy Research & Development Corporation, the Australian Rural Leadership Foundation, Agribusiness Gippsland and the Neerim District Community House & Men's Shed. He is the current President of Food Relief Neerim District. Through his participation on this Board, Paul is motivated to support innovative projects that underpin the strength, prosperity and vitality of small communities across Neerim District.

Board Committees: Community Investment and Marketing Committee



### Tim Kubale

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Director

Age: 52

Appointed Director: 28 November 2023

Occupation: Builder

Tim is the owner of a large construction company in Warragul - Kubale Constructions. Tim brings to the board, management and business acumen. Tim is a local, residing on a property in Rokeby with his family.

Board Committees: Community Investment and Marketing Committee

### Company Secretary



### Mary Patrickson

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Appointed 6 February 2023

Mary comes to Neerim District Financial Services with a wealth of international business experience. With a background in marketing and customer service, she worked for 25 years for a world leader in medical education products, before embarking on a career as a consultant in business. She has lived and worked in the USA and Norway, as well as in Australia. She has a strong academic background with both doctorate and master's degrees in business administration. In addition, she is now deeply involved in supporting the Neerim and District community being the Secretary of the Warragul and District Amateur Basketball Association, and Secretary/Treasurer of the local Neerim Wolves Basketball Club.

### Community Engagement Manager



### Sarah Collier

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Appointed 15 January 2024

Sarah joined Neerim District Financial Services at the beginning of 2024 as a Community Engagement Manager. She has extensive community engagement and marketing experience spanning rural communities, the dairy industry, the education sector, local government, and the not-for-profit sector. Sarah brings a diverse skill set to the table, adept at navigating complex stakeholder environments and delivering impactful outcomes across various industries.



# Directors' report (continued)

## Principal activity

The principal activity of the group during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

## Review of operations

The profit for the group after providing for income tax amounted to \$64,954 (30 June 2023: \$341,555).

Operations have continued to perform in line with expectations.

## Dividends

During the financial year, the following dividends were provided for and paid. The dividends have been provided for in the financial statements.

	Consolidated	
	2024	2023
	\$	\$
Fully franked dividend of 8.6 cents per share (2023: 7.1 cents)	32,596	26,911

## Significant changes in the state of affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

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

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 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.

## Likely developments

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

## Environmental regulation

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

## Meetings of directors

The number of directors' meetings attended by each of the directors' of the company during the financial year were:

	Board	
	Eligible	Attended
Bruce MacDougall	10	9
Peter Bain	10	8
Christie Bransgrove	10	9
Alison Cleary	10	7
Clive Patrickson	10	10
Jennifer Lynne Prout	10	8
Tricia Weickhardt	10	6
Timothy Kubale	7	3

## Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 and note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

# Directors' report (continued)

## Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Bruce MacDougall	-	-	-
Peter Bain	250	-	250
Christie Bransgrove	-	-	-
Alison Cleary	-	-	-
Clive Patrickson	22,000	-	22,000
Jennifer Lynne Prout	2,000	-	2,000
Tricia Weickhardt	-	-	-
Timothy Kubale	2,250	-	2,250

## Shares under option

There were no unissued ordinary shares of Neerim District Financial Services Limited under option outstanding at the date of this report.

## Shares issued on the exercise of options

There were no ordinary shares of Neerim District Financial Services Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

## Indemnity and insurance of directors and officers

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

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

## Proceedings on behalf of the company

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

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

## Indemnity and insurance of auditor

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

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

## Non-audit services

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

## Directors' report (continued)

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


- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the group, acting as an advocate for the company or jointly sharing risks and rewards.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

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

On behalf of the directors



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W C Patrickson  
Chairperson

30 September 2024

# Auditor's independence declaration



Accountants and Advisors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Neerim District Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**KIDMANS PARTNERS AUDIT PTY LTD**

A handwritten signature in black ink, appearing to read 'John Petridis', written over a light grey rectangular background.

**John Petridis**  
Director

Melbourne, 30 September 2024

Kidmans Partners Audit Pty Ltd

Suite 4, 255 Whitehorse Road, Balwyn,  
Victoria, Australia 3103

Postal Address: P.O. Box 718, Balwyn,  
Victoria, Australia 3103

T (613) 9836 2900 F (613) 9836 5233 ABN 46 143 986 841 [www.kidmanspartners.com.au](http://www.kidmanspartners.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Financial statements

## Neerim District Financial Services Limited Consolidated statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 (Restated) \$
Revenue from contracts with customers	7	1,111,627	1,298,512
Other revenue		25,129	10,813
Finance revenue		4,434	-
Total revenue		<u>1,141,190</u>	<u>1,309,325</u>
Employee benefits expense	8	(617,636)	(532,497)
Advertising and marketing costs		(53,702)	(17,858)
Occupancy and associated costs		(31,299)	(26,880)
System costs		(31,241)	(31,203)
Depreciation and amortisation expense	8	(42,550)	(82,369)
Finance costs	8	(10,875)	(2,211)
General administration expenses		(105,384)	(110,498)
Total expenses before community contributions and income tax		<u>(892,687)</u>	<u>(803,516)</u>
<b>Profit before community contributions and income tax expense</b>		248,503	505,809
Charitable donations, sponsorships and grants expense		<u>(161,534)</u>	<u>(49,458)</u>
<b>Profit before income tax expense</b>		86,969	456,351
Income tax expense	9	<u>(22,015)</u>	<u>(114,796)</u>
<b>Profit after income tax expense for the year</b>	17	64,954	341,555
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>64,954</u></u>	<u><u>341,555</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	17.14	90.11
Diluted earnings per share	26	17.14	90.11

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

## Financial statements (continued)

### Neerim District Financial Services Limited Consolidated statement of financial position As at 30 June 2024

	Note	Consolidated 2024 \$	2023 (Restated) \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	56,383	401,544
Trade and other receivables	11	102,553	131,332
Current tax assets	9	4,055	-
Other assets		7,663	-
Total current assets		<u>170,654</u>	<u>532,876</u>
<b>Non-current assets</b>			
Financial assets		29,070	22,187
Property, plant and equipment	12	1,743,100	1,094,745
Intangible assets	13	13,068	26,136
Deferred tax assets	9	7,340	8,410
Total non-current assets		<u>1,792,578</u>	<u>1,151,478</u>
<b>Total assets</b>		<u>1,963,232</u>	<u>1,684,354</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	128,848	77,895
Borrowings	15	61,713	33
Current tax liabilities	9	-	94,352
Employee benefits		53,710	26,748
Total current liabilities		<u>244,271</u>	<u>199,028</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	-	12,269
Borrowings	15	212,221	-
Employee benefits		1,325	-
Total non-current liabilities		<u>213,546</u>	<u>12,269</u>
<b>Total liabilities</b>		<u>457,817</u>	<u>211,297</u>
<b>Net assets</b>		<u>1,505,415</u>	<u>1,473,057</u>
<b>Equity</b>			
Issued capital	16	379,025	379,025
Retained earnings	17	1,126,390	1,094,032
<b>Total equity</b>		<u>1,505,415</u>	<u>1,473,057</u>

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



## Financial statements (continued)

### Neerim District Financial Services Limited Consolidated statement of changes in equity For the year ended 30 June 2024

Consolidated	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022 (Restated)</b>		379,025	779,388	1,158,413
Profit after income tax expense		-	341,555	341,555
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	341,555	341,555
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(26,911)	(26,911)
<b>Balance at 30 June 2023 (Restated)</b>		<u>379,025</u>	<u>1,094,032</u>	<u>1,473,057</u>
<b>Balance at 1 July 2023 (Restated)</b>		<u>379,025</u>	<u>1,094,032</u>	<u>1,473,057</u>
Profit after income tax expense		-	64,954	64,954
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	64,954	64,954
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(32,596)	(32,596)
<b>Balance at 30 June 2024</b>		<u>379,025</u>	<u>1,126,390</u>	<u>1,505,415</u>

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

## Financial statements (continued)

### Neerim District Financial Services Limited Consolidated statement of cash flows For the year ended 30 June 2024

	Note	Consolidated	
		2024	2023 (Restated)
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,272,625	1,380,156
Payments to suppliers and employees (inclusive of GST)		(1,012,393)	(945,518)
Interest received		4,434	-
Other revenue		-	1,788
Income taxes paid		(149,352)	(10,196)
Net cash provided by operating activities	25	115,314	426,230
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(677,837)	(43,543)
Payments for intangibles		(13,068)	(13,068)
Loans from/(to) related and other parties		10,000	-
Proceeds from disposal of property, plant and equipment		-	16,818
Net cash used in investing activities		(680,905)	(39,793)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		304,310	-
Interest and other finance costs paid		(10,875)	(2,211)
Dividends paid	19	(32,596)	(26,911)
Repayment of borrowings		(40,409)	(69,702)
Net cash provided by/(used in) financing activities		220,430	(98,824)
Net increase/(decrease) in cash and cash equivalents		(345,161)	287,613
Cash and cash equivalents at the beginning of the financial year		401,544	113,931
Cash and cash equivalents at the end of the financial year	10	56,383	401,544

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

# Notes to the financial statements

**30 June 2024**

## **Note 1. Reporting entity**

The consolidated financial report for Neerim District Financial Services Limited (the company) and its subsidiaries (together referred to as the group), which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 143 Main Road, Neerim South, VIC 3831.

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

## **Note 2. Basis of preparation and statement of compliance**

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

## **Note 3. Material accounting policy information**

The accounting policies that are material to the group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### **Adoption of new and revised accounting standards**

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the group during the current financial year is outlined below:

*AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the group in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the group to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the group's financial statements. Rather, adoption has required the group to remove significant accounting policy information from the notes to the financial statements that is not considered material.

### **Accounting standards issued but not yet effective**

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the group has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the group in future financial years.

### **Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 30.

# Notes to the financial statements (continued)

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## **Note 3. Material accounting policy information (continued)**

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Neerim District Financial Services Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Neerim District Financial Services Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Current and non-current classification**

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

### **Impairment of non-financial assets**

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

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

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

## **Note 4. Critical accounting judgements, estimates and assumptions**

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

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

# Notes to the financial statements (continued)

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

### Judgements

#### *Timing of revenue recognition associated with trail commission*

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

#### *Allowance for expected credit losses on trade and other receivables*

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

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

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

#### *Fair value measurement hierarchy*

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

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

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

#### *Impairment of non-financial assets*

The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### *Recovery of deferred tax assets*

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

### Estimates and assumptions

#### *Estimation of useful lives of assets*

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

## Notes to the financial statements (continued)

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### Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in June 2025.

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

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

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

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

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

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

### Note 6. Change to comparative figures

#### *Adoption of consolidating a controlled entity*

Neerim District Property Developments Unit Trust was established on 27 April 2012 as a new entity. Neerim District Financial Services Limited has determined that it controls Neerim District Property Developments Unit Trust based on the criteria in AASB 10 so accordingly has adopted consolidating its financial results.

The following table summaries the impacts on the 30 June 2023 financial statements:



## Notes to the financial statements (continued)

### Note 6. Change to comparative figures (continued)

Consolidated statement of financial position	As previously stated \$	Adjustment \$	As restated \$
<b>Assets</b>			
<b>Current asset</b>			
Cash and cash equivalents	354,374	47,170	401,544
Trade and other receivables	130,181	1,151	131,332
Other assets	438,661	(438,661)	-
<b>Total current assets</b>	<b>923,216</b>	<b>(390,340)</b>	<b>532,876</b>
<b>Non-current assets</b>			
Intangible assets	26,136	-	26,136
Plant and equipment	6,597	1,088,148	1,094,745
Deferred tax asset	8,410	-	8,410
Right of use asset	49,960	(49,960)	-
Other financial assets	718,498	(696,311)	22,187
<b>Total non-current assets</b>	<b>809,601</b>	<b>341,877</b>	<b>1,151,478</b>
<b>Total assets</b>	<b>1,732,817</b>	<b>(48,463)</b>	<b>1,684,354</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	63,364	14,531	77,895
Current tax liability	-	94,352	94,352
Provisions	120,898	(120,898)	-
Lease liability	52,957	(52,957)	-
Loans and borrowings	-	33	33
Franchise fee payable	13,068	(13,068)	-
Employee benefits	-	26,748	26,748
<b>Total current liabilities</b>	<b>250,287</b>	<b>(51,259)</b>	<b>199,028</b>
<b>Non-current Liabilities</b>			
Trade and other payables	-	12,269	12,269
Provisions	202	(202)	-
Franchise fee payable	12,269	(12,269)	-
<b>Total non-current liabilities</b>	<b>12,471</b>	<b>(202)</b>	<b>12,269</b>
<b>Total liabilities</b>	<b>262,758</b>	<b>(51,461)</b>	<b>211,297</b>
<b>Net assets</b>	<b>1,470,059</b>	<b>2,998</b>	<b>1,473,057</b>
<b>Equity</b>			
Issued capital	379,025	-	379,025
Retained earnings	1,091,034	2,998	1,094,032
<b>Total equity</b>	<b>1,470,059</b>	<b>2,998</b>	<b>1,473,057</b>

## Notes to the financial statements (continued)

### Note 6. Change to comparative figures (continued)

	As previously stated	Adjustment	As restated
	\$	\$	\$
<b>Consolidated statement of profit or loss and other comprehensive income</b>			
<b>Revenue</b>			
Income from operations	1,300,299	(1,300,299)	-
Revenue from contracts with customers	-	1,298,512	1,298,512
Other revenue	-	10,813	10,813
Dividends received	1,257	(1,257)	-
Trust distributions received	78,983	(78,983)	-
Profit on sale of NCA	7,768	(7,768)	-
<b>Total revenue</b>	<b>1,388,307</b>	<b>(78,982)</b>	<b>1,309,325</b>
<b>Expenses</b>			
Borrowing costs	(91)	91	-
Employee benefit expense	(511,481)	(21,016)	(532,497)
Depreciation	(48,229)	48,229	-
Amortisation	(112,989)	112,989	-
Depreciation and amortisation expense	-	(82,369)	(82,369)
System costs	-	(31,203)	(31,203)
Finance costs	-	(2,211)	(2,211)
General administration expense	(161,891)	51,393	(110,498)
Leasing costs	(9,922)	9,922	-
Audit services	(4,300)	4,300	-
Advertising and marketing costs	(64,226)	46,368	(17,858)
Occupancy and associated costs	(14,378)	(12,502)	(26,880)
<b>Total expenses before community contributions and income tax</b>	<b>(927,507)</b>	<b>123,991</b>	<b>(803,516)</b>
<b>Profit before community contributions and income tax expense</b>	<b>460,800</b>	<b>45,009</b>	<b>505,809</b>
Charitable donations, sponsorships and grants expense	-	(49,458)	(49,458)
<b>Profit before income tax expense</b>	<b>460,800</b>	<b>(4,449)</b>	<b>456,351</b>
Income tax expense	(114,795)	(1)	(114,796)
<b>Total comprehensive income for the year</b>	<b>346,005</b>	<b>(4,450)</b>	<b>341,555</b>

### Note 7. Revenue from contracts with customers

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Margin income	972,127	1,164,743
Fee income	55,899	53,039
Commission income	83,601	80,730
	<u>1,111,627</u>	<u>1,298,512</u>

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *Accounting policy for revenue from contracts with customers*

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

#### *Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

#### *Margin income*

Margin income on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
<b>plus:</b>	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
<b>minus:</b>	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

#### *Commission income*

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to Note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

#### *Fee income*

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

#### *Core banking products*

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *Ability to change financial return*

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

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

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

### Note 8. Expenses

#### Employee benefits expense

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
Wages and salaries	513,855	466,794
Non-cash benefits	5,546	5,544
Superannuation contributions	57,336	53,424
Expenses related to long service leave	20,911	(14,277)
Other expenses	19,988	21,012
	<u>617,636</u>	<u>532,497</u>

#### Depreciation and amortisation expense

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
<i>Depreciation of non-current assets</i>		
Buildings	27,243	20,933
Plant and equipment	43	47
Furniture and fittings	2,196	5,667
Motor vehicles	-	42,564
	<u>29,482</u>	<u>69,211</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	13,068	13,068
Borrowing costs	-	90
	<u>13,068</u>	<u>13,158</u>
	<u>42,550</u>	<u>82,369</u>

## Notes to the financial statements (continued)

### Note 8. Expenses (continued)

#### Finance costs

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Bank loan interest paid or accrued	10,495	1,754
Other	380	457
	<u>10,875</u>	<u>2,211</u>

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

### Note 9. Income tax

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
<i>Income tax expense</i>		
Current tax	21,586	110,153
Movement in deferred tax	1,070	5,182
Net benefit of franking credits on dividends received	(641)	(539)
	<u>22,015</u>	<u>114,796</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	86,969	456,351
Tax at the statutory tax rate of 25%	21,742	114,088
Tax effect of:		
Tax offset for franked dividends	(641)	(539)
Non-deductible expenses	754	1,112
Other assessable income	160	135
	<u>22,015</u>	<u>114,796</u>

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	14,300	7,402
Accrued expenses	801	1,008
Property, plant and equipment	(4,498)	-
Financial assets at fair value through profit or loss	(1,347)	-
Prepayments	(1,916)	-
	<u>7,340</u>	<u>8,410</u>
Deferred tax asset		

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Income tax refund due	4,055	-
	<u>4,055</u>	<u>-</u>
	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Provision for income tax	-	94,352
	<u>-</u>	<u>94,352</u>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

### Note 10. Cash and cash equivalents

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Cash at bank and on hand	56,383	401,544
	<u>56,383</u>	<u>401,544</u>

### Note 11. Trade and other receivables

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
Trade receivables	96,783	130,181
Other receivables and accruals	5,770	1,151
	<u>102,553</u>	<u>131,332</u>

#### *Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.



## Notes to the financial statements (continued)

### Note 12. Property, plant and equipment

	Consolidated 2024	2023 (Restated)
	\$	\$
Land - at cost	1,087,993	443,160
Buildings - at cost	849,837	837,326
Less: Accumulated depreciation	<u>(222,407)</u>	<u>(195,164)</u>
	627,430	642,162
Plant and equipment - at cost	3,609	1,172
Less: Accumulated depreciation	<u>(789)</u>	<u>(746)</u>
	2,820	426
Furniture and fittings - at cost	101,323	83,267
Less: Accumulated depreciation	<u>(78,866)</u>	<u>(76,670)</u>
	22,457	6,597
Motor vehicles - at cost	66,809	66,809
Less: Accumulated depreciation	<u>(66,809)</u>	<u>(66,809)</u>
	-	-
Work in progress	2,400	2,400
	<u>1,743,100</u>	<u>1,094,745</u>

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

Consolidated	Land \$	Buildings \$	Plant and equipment \$	Furniture and fittings \$	Motor vehicles \$	Work in progress \$	Total \$
Balance at 1 July 2022 (Restated)	443,160	663,095	473	8,600	11,735	2,400	1,129,463
Additions	-	-	-	3,664	39,879	-	43,543
Disposals	-	-	-	-	(9,050)	-	(9,050)
Depreciation expense	<u>-</u>	<u>(20,933)</u>	<u>(47)</u>	<u>(5,667)</u>	<u>(42,564)</u>	<u>-</u>	<u>(69,211)</u>
Balance at 30 June 2023 (Restated)	443,160	642,162	426	6,597	-	2,400	1,094,745
Additions	644,833	12,511	2,437	18,056	-	-	677,837
Depreciation expense	<u>-</u>	<u>(27,243)</u>	<u>(43)</u>	<u>(2,196)</u>	<u>-</u>	<u>-</u>	<u>(29,482)</u>
Balance at 30 June 2024	<u>1,087,993</u>	<u>627,430</u>	<u>2,820</u>	<u>22,457</u>	<u>-</u>	<u>2,400</u>	<u>1,743,100</u>

#### Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

### Note 12. Property, plant and equipment (continued)

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Building	40 years
Plant and equipment	1 to 20 years
Furniture and fittings	1 to 40 years
Motor vehicles	1 year

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

## Notes to the financial statements (continued)

### Note 12. Property, plant and equipment (continued)

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

Management have assessed the market value of the property at 143 Main Neerim Road, Neerim South to be the same as the carrying value of the property as at 30 June 2024. Therefore, no impairment has been recognised during the reporting period.

### Note 13. Intangible assets

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
Borrowing costs	283	283
Less: Accumulated amortisation	(283)	(283)
	<u>-</u>	<u>-</u>
Franchise fee	65,340	65,340
Less: Accumulated amortisation	(52,272)	(39,204)
	<u>13,068</u>	<u>26,136</u>
	<u>13,068</u>	<u>26,136</u>

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

<b>Consolidated</b>	Franchise fee \$	Borrowing costs \$	Total \$
Balance at 1 July 2022 (Restated)	39,204	90	39,294
Amortisation expense	(13,068)	(90)	(13,158)
Balance at 30 June 2023 (Restated)	26,136	-	26,136
Amortisation expense	(13,068)	-	(13,068)
Balance at 30 June 2024	<u>13,068</u>	<u>-</u>	<u>13,068</u>

#### Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2025

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

## Notes to the financial statements (continued)

### Note 14. Trade and other payables

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
<i>Current liabilities</i>		
Trade payables	96,560	12,412
Other payables and accruals	32,288	65,483
	<u>128,848</u>	<u>77,895</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	12,269
	<u>-</u>	<u>12,269</u>
	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	128,848	90,164
less other payables and accruals (net GST payable to the ATO)	(18,130)	(35,100)
	<u>110,718</u>	<u>55,064</u>

### Note 15. Borrowings

	Consolidated 2024	Consolidated 2023 (Restated)
	\$	\$
<i>Current liabilities</i>		
Bank loans	51,713	33
Related party loan	10,000	-
	<u>61,713</u>	<u>33</u>
<i>Non-current liabilities</i>		
Bank loans	212,221	-
	<u>212,221</u>	<u>-</u>

#### *Bank loans*

Bank loans are repayable monthly. Interest is recognised at rate of 6.993% (2023: 7.060%). The loans are secured by a fixed and floating charge over the company's assets.

#### *Accounting policy 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.

### Note 16. Issued capital

	2024	Consolidated 2023	2024	2023 (Restated)
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>379,025</u>	<u>379,025</u>	<u>379,025</u>	<u>379,025</u>

#### *Accounting policy for issued capital*

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

## Notes to the financial statements (continued)

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### Note 16. Issued capital (continued)

#### *Rights attached to issued capital*

##### *Ordinary shares*

##### Voting rights

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

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

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

##### Dividends

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

##### Transfer

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

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

##### *Prohibited shareholding interest*

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

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

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 17. Retained earnings

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
Retained earnings at the beginning of the financial year	1,094,032	779,388
Profit after income tax expense for the year	64,954	341,555
Dividends paid (note 19)	(32,596)	(26,911)
	<u>1,126,390</u>	<u>1,094,032</u>

### Note 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

### Note 19. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
Fully franked dividend of 8.6 cents per share (2023: 7.1 cents)	<u>32,596</u>	<u>26,911</u>

### Franking credits

	<b>Consolidated 2024</b>	<b>2023 (Restated)</b>
	\$	\$
Franking account balance at the beginning of the financial year	365,861	364,637
Franking credits (debits) arising from income taxes paid (refunded)	149,352	9,655
Franking debits from the payment of franked distributions	(10,865)	(8,970)
Franking credits from franked distributions received	641	539
	<u>504,989</u>	<u>365,861</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	504,989	365,861
Franking credits (debits) that will arise from payment (refund) of income tax	(34,055)	94,352
Franking credits available for future reporting periods	<u>470,934</u>	<u>460,213</u>

## Notes to the financial statements (continued)

### Note 19. Dividends (continued)

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

#### *Accounting policy for dividends*

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

### Note 20. Financial risk management

#### **Financial risk management objectives**

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the consolidated entity are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

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

	Consolidated	
	2024	2023 (Restated)
	\$	\$
<b>Financial assets</b>		
Trade and other receivables (note 11)	102,553	131,332
Cash and cash equivalents (note 10)	56,383	401,544
Financial assets	29,070	22,187
	<u>188,006</u>	<u>555,063</u>
<b>Financial liabilities</b>		
Trade and other payables (note 14)	110,718	55,064
Bank loans (note 15)	263,934	33
	<u>374,652</u>	<u>55,097</u>

At balance date, the fair value of financial instruments approximated their carrying values.

#### *Accounting policy for financial instruments*

#### **Financial assets**

##### *Classification*

The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

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

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.



## Notes to the financial statements (continued)

### Note 20. Financial risk management (continued)

#### Derecognition

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

#### Impairment of trade and other receivables

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

#### Financial liabilities

##### Classification

The company classifies its financial liabilities at amortised cost.

##### Derecognition

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

#### Market risk

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

Interest-bearing liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held borrowings of \$263,934 at 30 June 2024 (2023: \$33).

Interest-bearing assets are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$56,383 at 30 June 2024 (2023: \$401,544).

#### Equity Price risk

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

Consolidated - 2024	% change	Average price increase Effect on profit before tax		% change	Average price decrease Effect on profit before tax	
		Effect on equity	Effect on equity			
Equity instruments	10%	<u>2,907</u>	<u>2,180</u>	10%	<u>(2,907)</u>	<u>(2,180)</u>

Consolidated - 2023 (Restated)	% change	Average price increase Effect on profit before tax		% change	Average price decrease Effect on profit before tax	
		Effect on equity	Effect on equity			
Equity instruments	10%	<u>2,219</u>	<u>1,664</u>	10%	<u>(2,219)</u>	<u>(1,664)</u>

#### Interest rate risk

As at the reporting date, the company had the following variable rate borrowings outstanding:

Consolidated	2024		2023	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Loans	6.99%	<u>263,934</u>	7.06%	<u>33</u>
Net exposure to cash flow interest rate risk		<u>263,934</u>		<u>33</u>

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

## Notes to the financial statements (continued)

### Note 20. Financial risk management (continued)

#### Liquidity risk

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

#### Exposure to liquidity risk

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2024</b>				
Trade payables	110,718	-	-	110,718
Loans	61,713	212,221	-	273,934
Total non-derivatives	172,431	212,221	-	384,652
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2023 (Restated)</b>				
Trade payables	42,795	12,269	-	55,064
Loans	33	-	-	33
Total non-derivatives	42,828	12,269	-	55,097

### Note 21. Fair value measurement

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 2024</b>				
<b>Assets</b>				
Financial assets	29,070	-	-	29,070
Total assets	29,070	-	-	29,070
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 2023 (Restated)</b>				
<b>Assets</b>				
Financial assets	22,187	-	-	22,187
Total assets	22,187	-	-	22,187

There were no transfers between levels during the financial year.

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

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

## Notes to the financial statements (continued)

### Note 22. Key management personnel disclosures

The following persons were directors of Neerim District Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

Bruce MacDougall	Peter Bain
Christie Bransgrove	Alison Cleary
Clive Patrickson	Jennifer Lynne Prout
Tricia Weickhardt	Timothy Kubale

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

There are no executives within the company whose remuneration is required to be disclosed.

### Note 23. Related party transactions

#### *Key management personnel*

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

#### *Loans to/from related parties*

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

	Consolidated 2024	2023 (Restated)
	\$	\$
Non-current borrowings:		
Loan from key management personnel	10,000	-

#### *Terms and conditions of transactions with related parties*

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

#### *Transactions with related parties*

The following transactions occurred with related parties:

	Consolidated 2024	2023 (Restated)
	\$	\$
The company purchases supplies from the Neerim South Supermarket. One of the key management personnel is also a director of the supermarket. The total benefit received was:	2,339	6,110

### Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Kidmans Partners Audit Pty Ltd, the auditor of the company:

	Consolidated 2024	2023 (Restated)
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	<u>5,455</u>	<u>5,445</u>

## Notes to the financial statements (continued)

### Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	Consolidated 2024	2023 (Restated)
	\$	\$
Profit after income tax expense for the year	64,954	341,555
Adjustments for:		
Depreciation and amortisation	42,550	82,369
Net gain on disposal of non-current assets	-	(7,768)
Gain on financial assets through profit and loss	(5,387)	-
Dividends reinvested	(1,496)	(1,257)
Finance costs	10,875	2,211
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	28,779	(48,208)
Increase in income tax refund due	(4,055)	-
Decrease in deferred tax assets	1,070	5,182
Increase in prepayments	(7,663)	-
Increase/(decrease) in trade and other payables	51,752	(27,653)
Increase/(decrease) in provision for income tax	(94,352)	99,418
Increase/(decrease) in employee benefits	28,287	(19,619)
Net cash provided by operating activities	<u>115,314</u>	<u>426,230</u>

### Note 26. Earnings per share

	Consolidated 2024	2023 (Restated)
	\$	\$
Profit after income tax	<u>64,954</u>	<u>341,555</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>379,025</u>	<u>379,025</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>379,025</u>	<u>379,025</u>
	Cents	Cents
Basic earnings per share	17.14	90.11
Diluted earnings per share	17.14	90.11

### Note 27. Commitments

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

### Note 28. Contingencies

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

## Notes to the financial statements (continued)

### Note 29. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2024 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 30. Parent entity information

Set out below is the supplementary information about the parent entity.

#### *Statement of profit or loss and other comprehensive income*

	Parent	
	2024	2023
	\$	\$
Profit after income tax	67,951	346,006
Total comprehensive income	67,951	346,006

#### *Statement of financial position*

	Parent	
	2024	2023
	\$	\$
Total current assets	669,402	923,216
Total assets	1,687,647	1,732,816
Total current liabilities	(31,315)	250,487
Total liabilities	182,231	262,756
Equity		
Issued capital	379,025	379,025
Retained earnings	1,126,391	1,091,035
Total equity	1,505,416	1,470,060

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024.

#### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024.

#### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024.

#### *Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# Consolidated Entity Disclosure Statement

As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Neerim District Property Developments Unit Trust	Unit Trust	Australia	100.00%	Australia

# Directors' declaration

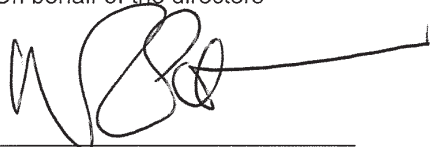
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

On behalf of the directors



---

W C Patrickson  
Chairperson

30 September 2024



# Independent audit report



Accountants and Advisors

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEERIM DISTRICT FINANCIAL SERVICES LIMITED

### Opinion

We have audited the accompanying financial report of Neerim District Financial Services Limited and Controlled Entity (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report present fairly, in all material respects, the financial position of the Neerim District Financial Services Limited and Controlled Entity as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (AASB's) and the Corporation Act 2001.

### Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024 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.

### Responsibilities of the Directors for the Financial Report

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

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

Kidmans Partners Audit Pty Ltd

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Victoria, Australia 3103

Postal Address: P.O. Box 718, Balwyn,  
Victoria, Australia 3103

T (613) 9836 2900 F (613) 9836 5233 ABN 46 143 986 841 [www.kidmanspartners.com.au](http://www.kidmanspartners.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEERIM DISTRICT FINANCIAL SERVICES LIMITED  
(CONTINUED)**

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

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Company'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 events or conditions that may cast significant doubt on the Company'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 Company 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Kidmans Partners Audit Pty Ltd**  
ABN: 46 143 986 841

A handwritten signature in dark ink, appearing to read 'John Petridis', written over a light grey circular stamp.

**John Petridis**  
Director

Dated: 30 September 2024

Community Bank - Neerim District  
143 - 145 Main Neerim Road, Neerim South VIC 3831  
Phone: 03 5628 1079 Fax: 03 5628 1089  
Email: [neerimmailbox@bendigoadelaide.com.au](mailto:neerimmailbox@bendigoadelaide.com.au)  
Web: [bendigobank.com.au/neerim](http://bendigobank.com.au/neerim)

Franchisee: Neerim District Financial Services Limited  
trading as Neerim District Community Enterprise  
ABN: 46 091 832 923  
143 - 145 Main Neerim Road, Neerim South VIC 3831  
Phone: 03 5628 1079 Fax: 03 5628 1089  
Email: [neerimcommunityfoundation@ndfs.com.au](mailto:neerimcommunityfoundation@ndfs.com.au)



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