

# Annual Report 2023

Neerim District Financial  
Services Limited

Community Bank  
Neerim District

ABN 46 091 832 923

# Contents

|                                    |    |
|------------------------------------|----|
| Chairman's report                  | 2  |
| Manager's report                   | 3  |
| Bendigo and Adelaide Bank report   | 4  |
| Directors' report                  | 5  |
| Financial statements               | 9  |
| Notes to the financial statements  | 13 |
| Directors' declaration             | 24 |
| Auditor's independence declaration | 25 |
| Independent audit report           | 26 |

# Chairman's report

For year ending 30 June 2023



This year the Board completed a very valuable strategic planning process that will enable the Company to be more defined in the requests that it will support moving forward. We have outlined our Neerim District more clearly and established principles that will guide funding.

It is with great pleasure that I present my third Annual Report as Chairman. After the challenges of the global pandemic, Neerim District Financial Services Ltd (NDFS), and Community Bank Neerim District, have emerged financially stronger and with greater commitment to our district community more than ever.

This year the Board completed a very valuable strategic planning process that will enable the Company to be more defined in the requests that it will support moving forward. We have outlined our Neerim District more clearly and established principles that will guide funding. As a part of that process, it was agreed that NDFS would pursue certification as a social enterprise to emphasise that our purpose is primarily to provide service to the community we represent. This will be completed in the coming financial year.

While this year has been positive, it has not been without its trials. In particular, the recruitment of a Branch Manager for the Community Bank has proved challenging, and our dedicated staff and Board volunteers were credited with ensuring banking services were maintained. We are now pleased to have a very seasoned professional, Samantha Bullen, as our new Branch Manager.

There are many projects over the year that have contributed to the well-being of our District, and it is not possible to list them all. However, the biennial sculpture competition was a resounding success, once again contributing to Neerim being a tourist destination, the support for the new Men's Shed, backing for Neerim District Food Relief supporting almost 300 families in need, and our many sporting and social organisations. We are thankful to have the commitment of our Community Engagement Manager, Allan Crane, who provides support to our local organisations. There is much in our vibrant community of which we should be proud.

We are looking ahead to an even stronger 2023-24, with the strong foundation of this year, to play an even bigger part in the community. In its planning process, the Board has taken steps to be more proactive in identifying those activities where it can have the largest positive impact working with other key community organisations such as the NDPA, Men's Shed, Food Relief, CFA and Ambulance Victoria. As our new mission statement proposes, we are looking to act "as a catalyst for, and helping build a flourishing, healthy and united Neerim District Community."

**Bruce MacDougall**  
**Chairman**

# Manager's report

For year ending 30 June 2023



To our shareholders, community groups, local clubs, and customers, I sincerely thank you all for choosing Community Bank Neerim District as your bank of choice. It is your support and dedication that enables us to continue to invest in the community year after year. You are important, not only in our operation but our growth.

I am very proud of the dedicated staff members employed at Community Bank Neerim District. These staff members: Maureen Johnston, Donna Field, Jenny Cooper and Hailey Munckton, have contributed to drive our results for year ending 30 June 2023. They have worked through many unexpected absences including a replacement for a Branch Manager and have continued to do so with great enthusiasm.

This vacancy allowed myself to become the new Branch Manager – a position I feel is well suited to my skill set, knowledge, community, and customer focus.

It is with pleasure that I present my first financial report as Branch Manager for the year ending 30 June 2023 on behalf of Community Bank Neerim District.

Over the past 12 months we continue to see positive growth in the business and great impact within the community.

I extend my thanks to the Board Chair, Bruce MacDougall and the Board of Directors and administrative staff who continue to volunteer their time to ensure that Neerim District Financial Services Limited remains strong. They do this with minimal acknowledgement. I feel they need to be commended for their ongoing leadership, support, and commitment they provide to the company, community, and the Community Bank.

Thank you to Bendigo and Adelaide Bank Limited, our franchise partner, who continue to support us as we grow in partnership with them and the wider community. We continue to evolve in the Banking Industry and Bendigo Bank are a competitive option to the major banks.

To our shareholders, community groups, local clubs, and customers, I sincerely thank you all for choosing Community Bank Neerim District as your bank of choice. It is your support and dedication that enables us to continue to invest in the community year after year. You are important, not only in our operation but our growth.

You are the voice, and our story needs to be told at every opportunity to increase awareness throughout our community.

Our dedication, commitment, and focus, together with the support that Community Bank Neerim District provides to our surrounding community, is a great reason to bring your everyday banking, business banking, savings & investment banking, lending, superannuation, and insurance needs across to us.

To ensure our continued success in the future, we encourage our shareholders, community sponsorships, grant recipients, friends, families, neighbours, locals, and extended groups to consider moving their banking to Community Bank Neerim District.

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

**Samantha Bullen**  
Branch Manager

# Bendigo and Adelaide Bank report

For year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future – growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than \$32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.



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

# Directors' report

For the financial year ended 30 June 2023

The Directors present their report on the Company for the financial year ending 30 June 2023.

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



## Mr. Bruce MacDougall

---

Chairman / Treasurer

Age: 61

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



## Mr. Peter Bain

---

Deputy Chair

Age: 51

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



## Mrs. Christie Bransgrove

---

Director

Age: 42

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: Investment and Marketing Committee

## Directors' report (continued)

---



### Ms. Alison Cleary

---

Director

Age: 49

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



### Dr. Clive Patrickson

---

Director

Age: 67

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



### Mrs. Jennifer Lynne Prout

---

Director

Age: 71

Appointed Director: 25 October 2012

Occupation: Primary School Principal

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

---

Director

Age: 49

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)

---

### Company Secretary



### Mary Patrickson, DBA, MBA

---

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. She also works as a teacher at a local primary school.

1. Directors have been in office since the start of the financial year to the date of the report, unless otherwise stated.
2. The principle activity of the Company during the financial year were in providing Community Bank® services under the management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.
3. The net profit after income tax of the Company for the financial year was \$346,005 (2022: \$36,374)
4. During the financial year the Company continued its trading activities. The results of those operations were in line with operations.
5. There was no significant change in the state of affairs of the Company during the financial year.
6. The impact of the Coronavirus (COVID - 19) pandemic is ongoing and while the results for the company have been financially positive up to 30 June 2023, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect the company's operations, the results of those operations or the company's state of affairs in future financial years.
7. The directors are not aware of any likely developments in the operation of the Company or of any change in the expected results of those operations in future financial years.
8. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or Auditor of the Company.
9. No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings.  
The Company was not a party to any such proceedings during the year.
10. The Company's operation are not regulated by any significant environmental regulation under a law of the Commonwealth, or of a State or Territory.
11. The Neerim District Financial Services Limited has accepted the Community Bank® Directors Privileges package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Neerim District Community Bank® Branch. There is no requirement to own BEN shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.
12. 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 with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest other than the benefits disclosed in Note 8.  
This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the accounts, or the fixed salary of a full time employee of the company.



## Directors' report (continued)

13. During the financial year, 8 meetings of Directors were held. Attendances by each Director were as follows:-

|                   | Board Member Since | Directors Meetings        |                 |
|-------------------|--------------------|---------------------------|-----------------|
|                   |                    | Number Eligible To Attend | Number Attended |
| P. Bain           | 2011               | 8                         | 8               |
| C.Bransgrove      | 2022               | 8                         | 7               |
| A. Cleary         | 2019               | 8                         | 6               |
| T.Kubale *        | 2014               | 2                         | 2               |
| B.MacDougall      | 2019               | 8                         | 8               |
| C. Patrickson     | 2022               | 8                         | 8               |
| J. Prout          | 2012               | 8                         | 7               |
| B. Smith **       | 2015               | 4                         | 3               |
| T. Weickhardt *** | 2023               | 1                         | 1               |

### Notes to Meetings Table

\* T. Kubale resigned as a director on 13th September 2022

\*\* B. Smith resigned as a director on 29th November 2022

\*\*\* T. Weickhardt was appointed as a director on 2nd May 2023

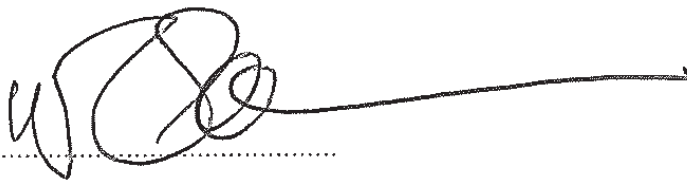
All Directors are widely experienced in the general business environment in which the company operates.

### Auditor's Independence Declaration

The Directors received the following declaration from the auditor of the company:

Kidmans Partners Audit Pty Ltd

Signed in accordance with a resolution of the Board of Directors



W C Patrickson  
Chairperson

Date:

27/09/2023

# Financial statements

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

|   | Note | 2023<br>\$            | 2022<br>\$           |
|---|------|-----------------------|----------------------|
| <b>REVENUE</b>  |      |                       |                      |
| Income from operations  |      | 1,300,299             | 802,294              |
| Dividends received  |      | 1,257                 | 1,621                |
| Trust distributions received  |      | 78,983                | 81,069               |
| Profit on sale of NCA   |      | 7,768                 | -                    |
|   |      | <u>1,388,307</u>      | <u>884,984</u>       |
| <b>EXPENSES</b>   |      |                       |                      |
| Borrowing costs   |      | 91                    | 91                   |
| Employee benefit expenses   |      | 511,481               | 387,773              |
| Depreciation  |      | 48,229                | 35,504               |
| Amortisation  |      | 112,989               | 112,989              |
| General administration  |      | 161,891               | 208,779              |
| Leasing costs   |      | 9,922                 | 13,772               |
| Audit services  |      | 4,300                 | 6,750                |
| Advertising and promotion   |      | 64,226                | 31,414               |
| Occupancy costs   |      | 14,378                | 3,688                |
|   |      | <u>927,507</u>        | <u>800,761</u>       |
| <b>PROFIT BEFORE INCOME TAX &amp;<br/>COMMUNITY ENTERPRISE FOUNDATION</b> |      | <b>460,800</b>        | <b>84,223</b>        |
| Community enterprise foundation   |      | -                     | 35,000               |
| Income tax  | 4    | <u>114,795</u>        | <u>12,849</u>        |
| <b>NET PROFIT AFTER INCOME TAX</b>  |      | <b><u>346,005</u></b> | <b><u>36,374</u></b> |
| <b>Earnings per share (cents per share)</b>                               |      |                       |                      |
| - basic for the period (cents)  |      | 91.29                 | 9.60                 |
| - diluted for the period (cents)  |      | 91.29                 | 9.60                 |

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

|  | Note | 2023<br>₹        | 2022<br>₹        |
|--|------|------------------|------------------|
| <b>CURRENT ASSETS</b>                  |      |                  |                  |
| Cash assets                            | 6    | 354,374          | 60,868           |
| Receivables                            |      | 130,181          | 81,974           |
| Other                                  |      | 438,661          | 360,255          |
| <b>TOTAL CURRENT ASSETS</b>            |      | <u>923,216</u>   | <u>503,096</u>   |
| <b>NON - CURRENT ASSETS</b>            |      |                  |                  |
| Intangibles                            | 15   | 26,136           | 39,204           |
| Plant and equipment                    | 2    | 6,597            | 20,335           |
| Deferred tax asset                     | 4    | 8,410            | 13,592           |
| Right to use asset                     | 17   | 49,960           | 149,881          |
| Other financial assets                 | 3    | 718,498          | 752,241          |
| <b>TOTAL NON - CURRENT ASSETS</b>      |      | <u>809,601</u>   | <u>975,252</u>   |
| <b>TOTAL ASSETS</b>                    |      | <u>1,732,817</u> | <u>1,478,349</u> |
| <b>CURRENT LIABILITIES</b>             |      |                  |                  |
| Payables                               |      | 63,364           | 87,447           |
| Provisions                             | 5    | 120,898          | 41,546           |
| Lease Liability                        | 17   | 52,957           | 109,091          |
| Interest - bearing liabilities         |      | -                | -                |
| Franchise Fee Payable                  |      | 13,068           | 13,068           |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <u>250,287</u>   | <u>251,151</u>   |
| <b>NON - CURRENT LIBAILITIES</b>       |      |                  |                  |
| Provisions                             | 5    | 202              | 241              |
| Deferred tax liability                 | 4    | -                | -                |
| Lease Liability                        | 17   | -                | 48,237           |
| Interest - bearing liabilities         |      | -                | -                |
| Franchise Fee Payable                  |      | 12,269           | 27,753           |
| <b>TOTAL NON - CURRENT LIABILITIES</b> |      | <u>12,471</u>    | <u>76,232</u>    |
| <b>TOTAL LIABILITIES</b>               |      | <u>262,758</u>   | <u>327,383</u>   |
| <b>NET ASSETS</b>                      |      | <u>1,470,059</u> | <u>1,150,965</u> |
| <b>MEMBERS FUNDS</b>                   |      |                  |                  |
| Contributed equity                     |      | 379,025          | 379,025          |
| Accumulated profits                    | 11   | 1,091,034        | 771,940          |
| <b>TOTAL MEMBERS' FUNDS</b>            |      | <u>1,470,059</u> | <u>1,150,965</u> |

The accompanying notes form part of this financial report

## Financial statements (continued)

### STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

|   | Note     | 2023<br>\$       | 2022<br>\$       |
|---|----------|------------------|------------------|
| <b>CASHFLOW FROM OPERATING ACTIVITIES</b>                             |          |                  |                  |
| Receipts from customers   |          | 1,382,854        | 875,886          |
| Payments to suppliers and employees                                   |          | (968,219)        | (800,078)        |
| Interest received   |          | -                | -                |
| Amounts paid to ATO   |          | (76,814)         | (44,393)         |
| Income taxes paid   |          | (10,196)         | (18,275)         |
| <b>Net cash provided by operating activities</b>                      | <b>7</b> | <b>327,625</b>   | <b>13,140</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |          |                  |                  |
| Payment for property, plant and equipment                             |          | (43,542)         | (28,835)         |
| Proceeds from property, plant and equipment                           |          | 16,818           | -                |
| Payment franchise fee   |          | (15,484)         | (15,484)         |
| Trust Distribution received   |          | 78,984           | 81,069           |
| Loan  |          | 35,000           | 62,727           |
| <b>Net cash used in investing activities</b>                          |          | <b>71,776</b>    | <b>99,477</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                            |          |                  |                  |
| Repayment of borrowings   |          | -                | (7,110)          |
| Borrowing costs   |          | 0                | -                |
| Proceeds from borrowings  |          | (78,984)         | (81,069)         |
| Payment of dividends on ordinary shares                               | 12       | (26,911)         | (15,150)         |
| <b>Net cash used in financing activities</b>                          |          | <b>(105,895)</b> | <b>(103,329)</b> |
| Net increase/(decrease) in cash held                                  |          | 293,506          | 9,288            |
| Cash at the beginning of the financial year                           |          | 60,868           | 51,580           |
| <b>CASH AND CASH EQUIVALENTS AT THE<br/>END OF THE FINANCIAL YEAR</b> | <b>6</b> | <b>354,374</b>   | <b>60,868</b>    |

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

|   | Note | Contributed<br>Equity<br>\$ | Retained<br>Earnings<br>\$ | Total<br>Equity<br>\$ |
|---|------|-----------------------------|----------------------------|-----------------------|
| <b>At 1 July 2021</b>                   |      | 379,025                     | 750,716                    | 1,129,741             |
| Opening adjustment for adoption of AASB |      | -                           | -                          | -                     |
| Net profit/ for the period              |      | -                           | 36,374                     | 36,374                |
| Dividends provided for or paid          |      | -                           | (15,150)                   | (15,150)              |
| <b>At 30 June 2022</b>                  |      | <u>379,025</u>              | <u>771,940</u>             | <u>1,150,965</u>      |
| <br>                                    |      |                             |                            |                       |
| <b>At 1 July 2022</b>                   |      | 379,025                     | 771,940                    | 1,150,965             |
| Net profit/ for the period              |      | -                           | 346,005                    | 346,005               |
| Dividends provided for or paid          |      | -                           | (26,911)                   | (26,911)              |
| <b>At 30 June 2023</b>                  |      | <u>379,025</u>              | <u>1,091,034</u>           | <u>1,470,059</u>      |

The accompanying notes form part of this financial report

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Neerim District Financial Services Limited as an individual entity. The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied.

### (a) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### **New and amended standards adopted by the Entity**

The Entity has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Entity's financial statements for the annual year beginning 1 July 2022.

None of these amendments have had a significant impact on the Entity.

The Australian Accounting Standards Board issues new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Entity. The Entity has decided not to early adopt any new or amended pronouncements.

### (b) Significant accounting judgement, estimates and assumptions

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

#### *Coronavirus (COVID-19) Pandemic*

Judgement has been exercised in considering the impacts that the coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

# Notes to the financial statements (continued)

---

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Plant and Equipment - Estimation of useful lives of assets

Each class of property, plant and equipment are carried at cost less where applicable any accumulated depreciation.

The carrying amount of fixed assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets, employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

The depreciable amount of all fixed assets are depreciated using the diminishing value method over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:-

Plant and equipment 10% - 100%

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

### (d) Provision for impairment of inventories

The Entity performs an annual assessment of the assets valuation to determine if there is a requirement for an Provision for Impairment. The provision for impairment assessment requires a degree of estimation and judgement.

### (e) Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

# Notes to the financial statements (continued)

---

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Cash

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (g) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Entity is expected to be entitled in exchange for transferring goods or services with the customer. For each contract with a customer the Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue is recognised net of the amount of goods and services tax (GST)

### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of a cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cashflows are included in the Statement of Cashflows on a gross basis, and the GST component arising from investing and financing activities, which is recoverable from, or payable to the Australian Taxation Office, are classified as operating activities.

### (i) Intangibles

The franchise fee is valued in the accounts at cost and is being amortised over a period of five years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer recoverable is written off.

### (j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits associated to ownership.

#### Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease of equal value is also recognized.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognized directly in the net profit.



# Notes to the financial statements (continued)

---

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within the year together with benefits arising from wages, salaries and annual leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

### (l) Income Tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

# Notes to the financial statements (continued)

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Income Tax (continued)

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### (n) Trade and other payables

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

### (o) Other Financial Assets

Other financial assets including Bendigo Bank shares and units held in the Neerim District Property Developments Unit Trust are held at cost value.

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| <b>2. PLANT AND EQUIPMENT</b>                                |                  |                  |
| Plant and equipment at cost                                  | 150,076          | 134,718          |
| Less provision for depreciation                              | <u>(143,479)</u> | <u>(114,383)</u> |
|  | 6,597            | 20,335           |
| Reconciliations of written - down value of plant & equipment |                  |                  |
| Balance at beginning of year                                 | 20,335           | 27,004           |
| Additions  | 43,543           | 28,835           |
| Disposals  | (16,818)         | -                |
| Profit on sale of NCA's                                      | 7,768            | -                |
| Depreciation expense   | <u>(48,230)</u>  | <u>(35,504)</u>  |
| Balance at end of year                                       | <u>6,597</u>     | <u>20,335</u>    |
| <b>3. RIGHT-OF USE ASSET</b>                                 |                  |                  |
| Land and buildings - right-of-use                            | 499,604          | 499,604          |
| Less: Accumulated depreciation                               | <u>(449,644)</u> | <u>(349,723)</u> |
|  | <u>49,960</u>    | <u>149,881</u>   |
| <b>3. OTHER FINANCIAL ASSETS</b>                             |                  |                  |
| Bendigo Bank Shares  | 22,187           | 20,930           |
| Neerim District Property Developments Units                  | 619,400          | 619,400          |
| Loan - Neerim District Property Developments Unit Trust      | <u>76,910</u>    | <u>111,910</u>   |
|  | 718,498          | 752,241          |

## Notes to the financial statements (continued)

|   | 2023<br>\$            | 2022<br>\$            |
|---|-----------------------|-----------------------|
| <b>4. INCOME TAX EXPENSE</b>  |                       |                       |
| The prima facie tax payable on operating profit is reconciled to the income tax expense as follows: |                       |                       |
| Prima facie tax payable on operating profit at 25%  | 115,200               | 12,306                |
| Adjust for tax effect:  |                       |                       |
| Timing differences deductible when incurred   |                       |                       |
| Provision for holiday pay, LSL and accrued expenses   | (5,183)               | (3,391)               |
| Prepayments   | -                     | 1,468                 |
| Timing differences assessable when received   |                       |                       |
| Accrued interest  | -                     | -                     |
| Deductible permanent differences  |                       |                       |
| Other   | (404)                 | -                     |
| Cashflow Boost  | -                     | -                     |
|   | 109,613               | 10,382                |
| Movement in deferred tax asset  | 5,182                 | 3,993                 |
| Movement in deferred tax liability  | -                     | (1,526)               |
| <b>Income tax expense</b>   | <b><u>114,795</u></b> | <b><u>12,849</u></b>  |
| <b>Deferred tax</b>   |                       |                       |
| Accrued expenses  | 1,008                 | 744                   |
| Accrued Superannuation  | 715                   | 1,256                 |
| Provision for holiday pay   | 2,773                 | 3,979                 |
| Provision for long service leave  | 3,914                 | 7,613                 |
|   | <b><u>8,410</u></b>   | <b><u>13,592</u></b>  |
| <b>Movement in deferred tax asset charged to statement of comprehensive income</b>                  | <b><u>5,182</u></b>   | <b><u>3,993</u></b>   |
| <b>Deferred tax liability</b>   |                       |                       |
| Prepaid insurance   | -                     | -                     |
|   | <b><u>-</u></b>       | <b><u>-</u></b>       |
| <b>Movement in deferred tax liability charged to statement of comprehensive income</b>              | <b><u>-</u></b>       | <b><u>(1,526)</u></b> |

## Notes to the financial statements (continued)

|                             | 2023<br>\$     | 2022<br>\$    |
|-----------------------------|----------------|---------------|
| <b>5. PROVISIONS</b>        |                |               |
| <b>Current</b>              |                |               |
| Income tax payable          | 94,352         | (4,580)       |
| Annual leave                | 11,092         | 15,915        |
| Long Service Leave          | <u>15,454</u>  | <u>30,211</u> |
|                             | <u>120,898</u> | <u>41,546</u> |
| <b>Non - Current</b>        |                |               |
| Long service leave          | <u>202</u>     | <u>241</u>    |
| Average number of employees | 6              | 7             |

Currently eligible employee benefits are reported as current liabilities even though no eligible employee has expressed any plans to take some or all of that leave within the next year.

### 6. CASH

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

|              |                |               |
|--------------|----------------|---------------|
| Cash at Bank | <u>354,374</u> | <u>60,868</u> |
|--------------|----------------|---------------|

### 7. CASH FLOW INFORMATION

Reconciliation of cash flow from operation with operating profit / loss

|  |                |                |
|--|----------------|----------------|
| Operating profit                                       | 346,005        | 36,374         |
| Dividend reinvestment plan                             | (1,257)        | (1,621)        |
| Trust distribution received                            | (78,983)       | (81,069)       |
| Profit / Loss on sale of property, plant and equipment | 7,768          | -              |
| <b>Non - Cash flows</b>                                |                |                |
| - Depreciation   | 48,229         | 35,504         |
| - Amortisation   | 13,068         | 13,068         |
| - Borrowing costs written off                          | 91             | 91             |
| - Hire purchase charges                                | -              | -              |
| - Adjustment due to accounting for AASB16              | -              | -              |
| <b>Changes in Assets and Liabilities</b>               |                |                |
| (Increase) / Decrease in receivables                   | (48,207)       | (6,586)        |
| (Increase) / Decrease in prepayments                   | -              | 5,870          |
| Increase / (Decrease) in creditors                     | (41,421)       | 31,584         |
| Increase / (Decrease) in provisions                    | (21,782)       | (14,649)       |
| Increase / (Decrease) in income tax payable            | 98,932         | (7,893)        |
| (Increase) / Decrease in deferred tax assets           | 5,182          | 3,993          |
| Increase / (Decrease) in deferred tax liabilities      | <u>-</u>       | <u>(1,526)</u> |
| Net cash provided by operating activities              | <u>327,625</u> | <u>13,140</u>  |

## Notes to the financial statements (continued)

---

### 8. RELATED PARTY TRANSACTIONS

2023  
\$

2022  
\$

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

#### Director - Related Entities

Supplies provided by Neerim South Supermarket.  
Mr P Bain is a director in this entity.

6,110

3,056

Neerim District Financial Services Ltd has accepted the Community Bank® Directors Privileges package. The package is available to all directors who can elect to vail themselves of the benefits based on their personal banking with the Neerim District Community Bank®. There is no requirements to own BEN shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.

### 9. RELATED PARTY RELATIONSHIP

Neerim District Financial Services Ltd is the sole unitholder in Neerim District Property Developments Unit Trust. The purpose of Neerim District Property Developments Unit Trust is to own the land and building for the bank branch.

Units held in Neerim District Property Developments Unit Trust

619,400

619,400

## Notes to the financial statements (continued)

|  | 2023<br>\$       | 2022<br>\$      |
|--|------------------|-----------------|
| <b>10. SEGMENT REPORTING</b>   |                  |                 |
| The company operates in the service sector where it conducts a Community Bank in the Neerim South area of Gippsland in Victoria. |                  |                 |
| <b>11. ACCUMULATED PROFITS</b>   |                  |                 |
| Accumulated profit at the beginning of the financial year  | 771,940          | 750,716         |
| Opening adjustment for adoption of AASB16  | -                | -               |
| Net profit after income tax  | 346,005          | 36,374          |
| Less dividends paid  | <u>(26,911)</u>  | <u>(15,150)</u> |
| Accumulated profit at the end of the financial year  | <u>1,091,034</u> | <u>771,940</u>  |
| <b>12. DIVIDENDS PAID ON ORDINARY SHARES</b>   |                  |                 |
| Franked dividends (2023: 7.1 cents per share)<br>(2022: 4 cents per share)   | 26,911           | 15,150          |
| <b>13. FRANKING CREDIT BALANCE</b>   |                  |                 |
| Franking account balance as at end of the financial year   | 365,861          | 364,637         |
| <b>14. COMPANY DETAILS</b>   |                  |                 |
| The registered office of the Company is 143 Main Road, Neerim South.   |                  |                 |
| The principal place of business is 143 Main Road, Neerim South.  |                  |                 |
| <b>15. INTANGIBLES</b>   |                  |                 |
| Franchise Fee at cost  | 65,340           | 65,340          |
| Less Amortisation  | <u>(39,204)</u>  | <u>(26,136)</u> |
|  | 26,136           | 39,204          |
| <b>16. LEASE LIABILITIES</b>   |                  |                 |

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of the fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest methods. The carrying amounts are remeasured if there is a change in the following: Future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset or to profit or loss if the carrying amount of the right - of use asset is fully written down.

## Notes to the financial statements (continued)

|   | 2023<br>\$       | 2022<br>\$       |
|---|------------------|------------------|
| <b>17. LEASING COMMITMENTS</b>  |                  |                  |
|   | \$               | \$               |
| Operating lease commitments as at 1 July 2019 (AASB 117)  | 545,455          | 545,455          |
| Operating lease commitments discount based on the weighted average incremental borrowing rate of 3% (AASB 16) | (45,851)         | (45,851)         |
| Accumulated depreciation a (AASB 16)  | <u>(449,644)</u> | <u>(349,723)</u> |
| Right - of - use assets (AASB 16)   | <u>49,960</u>    | <u>149,881</u>   |
| Lease liabilities - current (AASB 16)   | 52,957           | 109,091          |
| Lease liabilities - non - current (AASB 16)   | -                | 48,237           |
| <b>18. EARNINGS PER SHARE</b>   |                  |                  |
| Earnings used in calculating basic and diluted earnings per share   | 346,005          | 36,374           |
| Weighted average number of shares for basic and diluted earnings per share                                    | 379,025          | 379,025          |

|  | 2023<br>\$               | 2022<br>\$     |                            |                       |                             |                |                |
|--|--------------------------|----------------|----------------------------|-----------------------|-----------------------------|----------------|----------------|
| <b>19. FINANCIAL INSTRUMENTS</b>   |                          |                |                            |                       |                             |                |                |
| <b>a) Interest Rate Risk</b>   |                          |                |                            |                       |                             |                |                |
| The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows: |                          |                |                            |                       |                             |                |                |
|  | <b>Floating Interest</b> |                | <b>Fixed Interest Rate</b> |                       | <b>Non-Interest Bearing</b> |                |                |
|  | Ave<br>Rate              | 2023           | 2022                       | Within 1 Year<br>2023 | 1 to 5 Years<br>2022        | 2023           | 2022           |
| <b>Financial Assets</b>  |                          |                |                            |                       |                             |                |                |
| Cash at bank   | 2.00%                    | 354,374        | 60,868                     |                       |                             |                |                |
| Receivables  |                          |                |                            |                       |                             | 130,181        | 81,974         |
| <b>Total Financial Assets</b>  |                          | <u>354,374</u> | <u>60,868</u>              |                       |                             | <u>130,181</u> | <u>81,974</u>  |
| <b>Financial Liabilities</b>   |                          |                |                            |                       |                             |                |                |
| Payables   |                          |                |                            |                       |                             | 63,364         | 87,447         |
| Lease Liability  |                          |                |                            |                       |                             | 52,957         | 157,328        |
| Hire Purchase  | 3.99%                    |                |                            | -                     | 7,110                       | -              | -              |
| <b>Total Financial Liabilities</b>   |                          |                |                            | <u>-</u>              | <u>7,110</u>                | <u>-</u>       | <u>-</u>       |
|  |                          |                |                            |                       |                             | <u>116,321</u> | <u>244,775</u> |

### b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

### (c) Net Fair Value

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have been written down as the company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and Notes to the Financial Statements

### 20. EVENTS AFTER THE REPORTING

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the results for the company have been financially positive up to 30 June 2021, it is not practicable to estimate the potential impact, positive impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependant on measures imposed by the Australian Government, such as maintaining, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect the company's operation, results or state of affairs in future financial years.



# Directors' declaration

The directors of the company declare that:

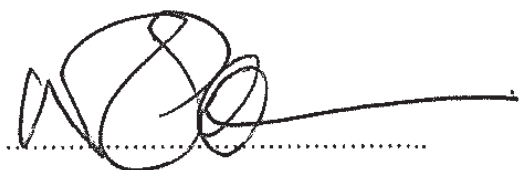
1. The financial statements and notes, as set out in the Directors Report, Income Statement, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, are in accordance with the Corporations Act 2001:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company;

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, consisting of a large, stylized 'W' and 'C' followed by a long horizontal line extending to the right.

W C Patrickson  
Chairperson

Date:

27/09/2023

# 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 2023 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

27 September 2023

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.

# Independent audit report



Accountants and Advisors

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

### Opinion

We have audited the financial report of Neerim District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2023, 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 financial report of Neerim District Financial Services Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

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

We 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 2023 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.

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.



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

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.

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 black ink, appearing to read 'John Petridis', written over a light grey circular stamp.

**John Petridis**  
Director

Dated: 27 September 2023

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  
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)



[/communitybankneerimdistrict](https://www.facebook.com/communitybankneerimdistrict)

This Annual Report has been printed on 100% Recycled Paper

