Annual Report 2026



Neerim District Community Enterprise



Community Bank Neerim District

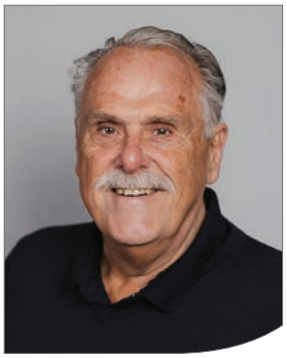
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Chairman's report

For year ending 30 June 2026



Your Local Community Enterprise

As I reported at the end of the 2025 financial year, Neerim District Financial Services Limited is a registered "Community Enterprise". This requires that the Company prove by words and actions that it operates with the primary purpose of being a "business for good". As a result, the Company now uses the trading name Neerim District Community Enterprise to show our community that our purpose is local service and to support our mission of "acting as a catalyst for a flourishing, healthy and united Neerim District community".

One way we meet our mission is by providing efficient, thriving local banking services through our partner, Bendigo Bank. This is your local bank, founded by local people and led by Directors who are intimately connected with the local community. Without this commitment, we would not have these services in our area. In addition, the Board has committed to returning 80% of the profit of your local Community Bank to the community to help Neerim District flourish. After 26 years of service to the Community, the Company has not lost its passion for our very special towns.

In the last year, the organisation has provided support in many ways. We have provided grants of support to a wide range of active community groups such as Neerim & District Bowling Club, Crossover School Hall, Food Relief Neerim District, Algie Hall, Neerim District Progress Association and the Neerim District Junior Football and Basketball Clubs, amongst others. In addition, support was provided for schools that serve our communities, in assisting students from the Neerim District Secondary College to attend a young leader's camp workshop.

Through our community enterprise, we have supported local organisations through a dedicated Community Engagement Manager, Stacey Alfred, who has also organised events as varied as a film day for children in the school holidays and our first Business Networking Breakfast, in conjunction with the Progress Association.

Another Successful Business Year

Of course, none of our community work would be possible without a thriving business in the Community Bank. Once again, the Bank had a successful year in a very competitive banking market and difficult economic conditions. This was possible due to the commitment and dedication of our wonderful Bank services team, led throughout the year by Samantha Bullen, the Community Bank Manager. This year, the team (individually and collectively) was recognised by Bendigo Bank as a customer service-leading community bank in our Region and throughout the State, and this was also reflected in the Branch results.

We were saddened towards the end of the year when Samantha decided to move on to new pastures, leaving behind a strong legacy of operational efficiency and customer service excellence.

The Board wishes Samantha well in her future endeavours. However, we are delighted to welcome our new branch manager, Katrina, who brings a wealth of experience in business and banking in community banks. The Board is very confident that the business is in very good hands looking forward.

Chairman's report (continued)

Thank You

On behalf of the Board of Directors, a very special thanks goes to the Company team of employees for the financial year up to June 2026: The banking team of Samantha Bullen (Branch Manager), Cath, Donna, Jenny and Tara, plus the operational team of Stacey Alfred (Community Engagement) and Mary Patrickson (Company Secretary). Without whom our Community Enterprise would not be a success.

I also want to thank my fellow Directors who continue to show their ongoing commitment to helping our community thrive. A very special thanks to Alison Cleary, who has been a Board member since 2019 and Treasurer for the past three years. Alison resigned from the Board on 30 June 2026.

We also thank all of those at Bendigo Bank who have provided help, guidance and support over the year. Finally, we thank all organisations and residents of our local community for their commitment and ongoing support.

William Clive Patrickson
Chairman

Bendigo and Adelaide Bank report

For year ending 30 June 2026

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

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

For the financial year ended 30 June 2026

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Neerim District Financial Services Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:



Clive Patrickson

Title: Non-executive director

Experience and expertise: 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.

Special responsibilities: Chairman, HR and Governance Committee



Bruce MacDougall

Title: Non-executive director

Experience and expertise: 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 40 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. Bruce also holds a Bachelor of Arts.

Special responsibilities: Finance Committee



Peter Bain

Title: Non-executive director

Experience and expertise: 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.

Special responsibilities: Community Investment and Marketing Committee, Finance Committee

Directors (continued)



Christie Bransgrove

Title: Non-executive director

Experience and expertise: Christie is a long-term local who has been involved in the education system since 2004. Christie is now the Principal of Drouin West 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.

Special responsibilities: Investment and Marketing Committee



Alison Cleary (resigned effective 30 June 2026)

Title: Non-executive director

Experience and expertise: 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.

Special responsibilities: Treasurer, Finance Committee



Jennifer Lynne Prout

Title: Non-executive director

Experience and expertise: Jennie was 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. Jennie is a Member of Scope Parents Group, Baw Baw Shire Ratepayers Association and e-club of Greater Sydney Rotary Club.

Special responsibilities: Finance Committee, Renewal of Board Members Committee



Tricia Weickhardt

Title: Non-executive director

Experience and expertise: 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.

Special responsibilities: Renewal of Board Members Committe

Directors (continued)



Paul Ford

Title: Non-executive director

Experience and expertise: 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.

Special responsibilities: Deputy Chair, Community Investment and Marketing Committee, Renewal of Board Members Committee

Company secretary

The company secretary is Mary Patrickson. Mary was appointed to the position of company secretary on 6 February 2023.



Mary Patrickson

Experience and expertise: 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 Treasurer of the local Neerim Wolves Basketball Club.



Stacey Alfred

Community Engagement Manager

Appointed 5 May 2025

Stacey is a communications and administration professional with a strong background in the non-profit and education sectors.

With a Bachelor of Business, a Graduate Diploma in Professional Communication, and ongoing postgraduate study in Writing, Stacey combines strategic thinking with a creative approach to storytelling and community connection.

Passionate about contributing to projects that promote the health and wellbeing of local communities, Stacey thrives in collaborative environments and brings a people-first mindset to navigating change and building meaningful relationships.

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 $166,168 (30 June 2025: $69,854).

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 2026 $	Consolidated 2025 $
Fully franked dividend of 7.6 cents per share (2025: 8.3 cents)	28,806	31,459

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

Matters subsequent to the end of the financial year
On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

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	Board Attended
Bruce MacDougall	11	9
Peter Bain	11	7
Christie Bransgrove	11	5
Alison Cleary	11	9
Clive Patrickson	11	9
Jennifer Lynne Prout	11	9
Tricia Weickhardt	11	9
Paul Ford	11	10

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 20 and note 21 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' 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	-	-	-
Paul Ford	-	-	-

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 2026 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 (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 22 to the accounts.

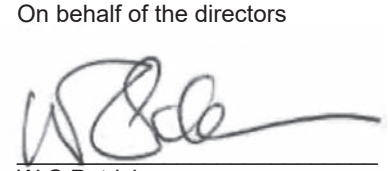
The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- 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



W C Patrickson
Chairperson

30 September 2026

Auditor's independence declaration

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Neerim District Financial Services Limited

As lead auditor for the audit of Neerim District Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the auditor independence requirements of 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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2026

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Neerim District Financial Services Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$	$
Revenue from contracts with customers	6	1,095,374	1,059,303
Other revenue		48,416	48,746
Total revenue		1,143,790	1,108,049
Employee benefits expense	7	(600,044)	(625,432)
Advertising and marketing costs		(30,039)	(35,094)
Occupancy and associated costs		(48,367)	(55,799)
System costs		(29,696)	(32,882)
Depreciation and amortisation expense	7	(48,502)	(47,360)
Finance costs	7	(12,117)	(19,518)
General administration expenses		(127,210)	(121,371)
Total expenses before community contributions and income tax		(895,975)	(937,456)
Profit before community contributions and income tax expense		247,815	170,593
Charitable donations, sponsorships and grants expense		(34,250)	(77,469)
Profit before income tax expense		213,565	93,124
Income tax expense	8	(47,397)	(23,270)
Profit after income tax expense for the year		166,168	69,854
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		166,168	69,854
		Cents	Cents
Basic earnings per share	24	43.84	18.43
Diluted earnings per share	24	43.84	18.43

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

Neerim District Financial Services Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$	$
Assets			
Current assets			
Cash and cash equivalents	9	98,401	37,104
Trade and other receivables	10	95,765	86,109
Other assets		29,831	8,238
Total current assets		223,997	131,451
Non-current assets			
Financial assets		29,814	32,689
Property, plant and equipment	11	1,732,844	1,754,264
Intangible assets	12	58,770	73,361
Deferred tax assets		-	937
Total non-current assets		1,821,428	1,861,251
Total assets		2,045,425	1,992,702
Liabilities			
Current liabilities			
Trade and other payables	13	100,637	113,092
Borrowings	14	68,323	68,740
Current tax liabilities	8	26,200	9,366
Employee benefits		35,631	48,444
Total current liabilities		230,791	239,642
Non-current liabilities			
Trade and other payables	13	48,150	64,200
Borrowings	14	83,258	141,529
Deferred tax liabilities	8	467	-
Employee benefits		1,587	3,521
Total non-current liabilities		133,462	209,250
Total liabilities		364,253	448,892
Net assets		1,681,172	1,543,810
Equity			
Issued capital	15	379,025	379,025
Retained earnings		1,302,147	1,164,785
Total equity		1,681,172	1,543,810

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

Neerim District Financial Services Limited
Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		379,025	1,126,390	1,505,415
Profit after income tax expense		-	69,854	69,854
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	69,854	69,854
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	17	-	(31,459)	(31,459)
Balance at 30 June 2025		379,025	1,164,785	1,543,810
Balance at 1 July 2025		379,025	1,164,785	1,543,810
Profit after income tax expense		-	166,168	166,168
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	166,168	166,168
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	17	-	(28,806)	(28,806)
Balance at 30 June 2026		379,025	1,302,147	1,681,172

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

Neerim District Financial Services Limited
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,244,291	1,243,809
Payments to suppliers and employees (inclusive of GST)		(1,030,147)	(1,121,663)
Interest and other finance costs paid		(12,117)	(2,806)
Income taxes refunded/(paid)		(29,159)	28,431
Net cash provided by operating activities	23	172,868	147,771
Cash flows from investing activities			
Payments for property, plant and equipment	11	(12,486)	(42,146)
Payments for intangibles		(14,591)	(13,068)
Loans from/(to) related and other parties		-	(10,000)
Proceeds from disposal of property, plant and equipment		3,000	-
Net cash used in investing activities		(24,077)	(65,214)
Cash flows from financing activities			
Interest and other finance costs paid		-	(16,712)
Dividends paid	17	(28,806)	(31,459)
Repayment of borrowings		(58,688)	(53,665)
Net cash used in financing activities		(87,494)	(101,836)
Net increase/(decrease) in cash and cash equivalents		61,297	(19,279)
Cash and cash equivalents at the beginning of the financial year		37,104	56,383
Cash and cash equivalents at the end of the financial year	9	98,401	37,104

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

30 June 2026

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 financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2026. The directors have the power to amend and reissue the financial statements.

Going concern
As at 30 June 2026, the company had a working capital deficiency of $6,794 (2025: $108,191). Notwithstanding this position, the financial report has been prepared on a going concern basis. During the financial year, the company generated positive operating cash flows of $158,322 (2025: $147,771), reported a profit after income tax of $166,168 (2025: $69,854), increased cash and cash equivalents to $98,401 (2025: $37,104) and continued to reduce borrowings.

Cash flow forecasts prepared by management indicate that the company is expected to meet its obligations as and when they fall due for at least 12 months from the date of this report. Based on these factors, the directors consider the going concern basis of preparation to be appropriate and are not aware of any material uncertainties that would cast significant doubt on the company's ability to continue as a going concern.

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 Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The group has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 *Presentation of Financial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Note 3. Material accounting policy information (continued)

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 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of Neerim District Financial Services Limited ('company' or 'parent entity') and its controlled entity, Neerim District Property Developments Unit Trust, as at 30 June 2026, and the results of the controlled entity for the year then ended. Neerim District Financial Services Limited and its controlled entity are together referred to in these financial statements as the 'group'.

Neerim District Property Developments Unit Trust is a wholly controlled entity of Neerim District Financial Services Limited. Subsidiaries are entities over which the company has control. The company controls an entity when it 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 control is obtained and cease to be consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated on consolidation. 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.

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.

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.

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

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.

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 July 2030.

Note 5. Economic dependency (continued)

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. Revenue from contracts with customers

	Consolidated	
	2026	2025
	$	$
Margin income	957,950	923,111
Fee income	46,700	52,972
Commission income	90,724	83,220
	1,095,374	1,059,303

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.

Note 6. Revenue from contracts with customers (continued)

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

Revenue stream	Includes	Performance obligation	Timing of recognition
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
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	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.

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 7. Expenses

Employee benefits expense

	Consolidated 2026	Consolidated 2025
	$	$
Wages and salaries	510,270	543,804
Non-cash benefits	5,544	6,930
Superannuation contributions	66,944	66,042
Expenses related to long service leave	(2,145)	(11,731)
Other expenses	19,431	20,387
	600,044	625,432

Depreciation and amortisation expense

	Consolidated 2026	Consolidated 2025
	$	$
Depreciation of non-current assets		
Buildings	21,424	15,249
Plant and equipment	4,387	11,839
Furniture and fittings	8,055	7,159
	33,866	34,247
Amortisation of intangible assets		
Franchise fee	14,590	13,068
Borrowing costs	46	45
	14,636	13,113
	48,502	47,360

Finance costs

	Consolidated 2026	Consolidated 2025
	$	$
Bank loan interest paid or accrued	11,689	16,712
Other	428	2,806
	12,117	19,518

Charitable donations, sponsorships and grants expense

	Consolidated 2026	Consolidated 2025
	$	$
Direct donation, sponsorship and grant payments	34,250	34,869
Contribution to the Community Enterprise Foundation™	-	42,600
	34,250	77,469

Note 8. Income tax

	Consolidated 2026	Consolidated 2025
	$	$
Income tax expense		
Current tax	45,619	17,559
Movement in deferred tax	1,405	6,403
Under/over adjustment in respect for prior periods	1,104	-
Net benefit of franking credits on dividends received	(731)	(692)
Aggregate income tax expense	47,397	23,270
Prima facie income tax reconciliation		
Profit before income tax expense	213,565	93,124
Tax at the statutory tax rate of 25%	53,391	23,281
Tax effect of:		
Tax offset for franked dividends	(731)	(692)
Non-deductible expenses	987	507
Non-assessable income	(7,537)	-
Other assessable income	183	174
	46,293	23,270
Under/over adjustment in respect for prior periods	1,104	-
Income tax expense	47,397	23,270

	Consolidated 2026	Consolidated 2025
	$	$
Deferred tax assets/(liabilities)		
Employee benefits	9,304	12,991
Superannuation payable	400	(33)
Accrued expenses	668	810
Lease liabilities	274,049	-
Right-of-use assets	(266,512)	-
Property, plant and equipment	(9,789)	(8,923)
Financial assets at fair value through profit or loss	(1,129)	(1,848)
Prepayments	(7,458)	(2,060)
Deferred tax asset/(liability)	(467)	937

	Consolidated 2026	Consolidated 2025
	$	$
Provision for income tax	26,200	9,366

Note 8. Income tax (continued)

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 9. Cash and cash equivalents

	Consolidated	
	2026	2025
	$	$
Cash at bank and on hand	98,401	37,104

Note 10. Trade and other receivables

	Consolidated	
	2026	2025
	$	$
Trade receivables	94,580	84,757
Other receivables and accruals	1,185	1,352
	95,765	86,109

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.

Note 11. Property, plant and equipment

	Consolidated 2026	Consolidated 2025
	$	$
Land - at cost	443,160	443,160
Buildings - at cost	1,489,069	1,487,216
Less: Accumulated depreciation	(259,080)	(237,656)
	1,229,989	1,249,560
Plant and equipment - at cost	31,451	31,451
Less: Accumulated depreciation	(17,015)	(12,628)
	14,436	18,823
Furniture and fittings - at cost	128,389	126,347
Less: Accumulated depreciation	(85,530)	(86,026)
	42,859	40,321
Work in progress	2,400	2,400
	1,732,844	1,754,264

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 $	Work in progress $	Total $
Balance at 1 July 2024	1,087,993	627,430	2,820	22,457	2,400	1,743,100
Additions	-	(7,454)	27,842	25,944	-	46,332
Disposals	-	-	-	(921)	-	(921)
Transfers in/(out)	(644,833)	644,833	-	-	-	-
Depreciation expense	-	(15,249)	(11,839)	(7,159)	-	(34,247)
Balance at 30 June 2025	443,160	1,249,560	18,823	40,321	2,400	1,754,264
Additions	-	1,853	-	10,633	-	12,486
Disposals	-	-	-	(40)	-	(40)
Depreciation expense	-	(21,424)	(4,387)	(8,055)	-	(33,866)
Balance at 30 June 2026	443,160	1,229,989	14,436	42,859	2,400	1,732,844

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.

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

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

Note 11. 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 2026. Therefore, no impairment has been recognised during the reporting period.

Note 12. Intangible assets

	Consolidated 2026	2025
	$	$
Borrowing costs	780	735
Less: Accumulated amortisation	(374)	(328)
	406	407
Franchise fee	138,295	138,294
Less: Accumulated amortisation	(79,931)	(65,340)
	58,364	72,954
	58,770	73,361

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

Consolidated	Franchise fee $	Borrowing costs $	Total $
Balance at 1 July 2024	13,068	-	13,068
Additions	72,954	452	73,406
Amortisation expense	(13,068)	(45)	(13,113)
Balance at 30 June 2025	72,954	407	73,361
Additions	-	45	45
Amortisation expense	(14,590)	(46)	(14,636)
Balance at 30 June 2026	58,364	406	58,770

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:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	July 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	July 2030

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

Note 13. Trade and other payables

	Consolidated 2026	Consolidated 2025
	$	$
Current liabilities		
Trade payables	38,833	77,198
Other payables and accruals	61,804	35,894
	100,637	113,092
Non-current liabilities		
Other payables and accruals	48,150	64,200

	Consolidated 2026	Consolidated 2025
	$	$
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	148,787	177,292
Less statutory payables, included in trade and other payables	(28,248)	(17,023)
	120,539	160,269

Note 14. Borrowings

	Consolidated 2026	Consolidated 2025
	$	$
Current liabilities		
Bank loans	68,323	68,740
Non-current liabilities		
Bank loans	83,258	141,529

Bank loans
Bank loans are repayable monthly. Interest is recognised at rate of 6.998% (2025: 6.458%). 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 15. Issued capital

	Consolidated 2026 Shares	Consolidated 2025 Shares	Consolidated 2026 $	Consolidated 2025 $
Ordinary shares - fully paid	379,025	379,025	379,025	379,025

Note 15. Issued capital (continued)

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.

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.

Note 15. Issued capital (continued)

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.

Note 16. 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 17. 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.

	Consolidated	
	2026	2025
	$	$
Fully franked dividend of 7.6 cents per share (2025: 8.3 cents)	28,806	31,459

Note 17. Dividends (continued)

Franking credits

	Consolidated 2026	Consolidated 2025
	$	$
Franking account balance at the beginning of the financial year	466,764	504,989
Franking credits (debits) arising from income taxes paid (refunded)	26,362	(4,056)
Franking debits from the payment of franked distributions	(9,602)	(10,486)
Franking credits from franked distributions received	731	692
Franking credits (debits) arising from tax installments paid	-	(24,375)
	484,255	466,764
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	484,255	466,764
Franking credits (debits) that will arise from payment (refund) of income tax	30,872	9,367
Franking credits available for future reporting periods	515,127	476,131

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 18. Financial risk management

Financial risk management objectives
The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and loans and borrowings. 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 A- 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.

Note 18. Financial risk management (continued)

	Consolidated 2026	Consolidated 2025
	$	$
Financial assets		
Trade and other receivables (note 10)	95,765	86,109
Cash and cash equivalents (note 9)	98,401	37,104
Financial assets	29,814	32,689
	223,980	155,902
Financial liabilities		
Trade and other payables (note 13)	120,539	160,269
Bank loans (note 14)	151,581	210,269
	272,120	370,538

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.

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.

Note 18. Financial risk management (continued)

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 $151,581 at 30 June 2026 (2025: $210,269).

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 $98,401 at 30 June 2026 (2025: $37,104).

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

	2026		2025	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Loans	6.99%	151,581	6.45%	210,269
Net exposure to cash flow interest rate risk		151,581		210,269

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

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.

Consolidated - 2026	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Trade payables	72,389	48,150	-	120,539
Loans	70,737	87,143	-	157,880
Total non-derivatives	143,126	135,293	-	278,419

Consolidated - 2025	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Trade payables	96,068	64,200	-	160,268
Loans	70,737	157,880	-	228,617
Total non-derivatives	166,805	222,080	-	388,885

Note 19. Fair value measurement

Consolidated - 2026	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	29,814	-	-	29,814
Total assets	29,814	-	-	29,814

Consolidated - 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	32,689	-	-	32,689
Total assets	32,689	-	-	32,689

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.

Note 20. 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
Christie Bransgrove
Clive Patrickson
Tricia Weickhardt
Peter Bain
Alison Cleary
Jennifer Lynne Prout
Paul Ford

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 21. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

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.

Note 21. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2026	Consolidated 2025
	$	$
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:	242	5,635
The company donated to Food Relief Neerim District. Directors are committee members of this association. Total benefit provided was:	15,000	-
The company provided donation to Neerim District Progress Association. A director is also a committee member of the association. Total benefit provided was:	20,000	-
The company provided sponsorship to the Neerim District Cricket Club. A director is also the secretary of the club. Total benefit provided was:	3,920	-

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	Consolidated 2026	Consolidated 2025
	$	$
Audit services		
Audit or review of the financial statements	9,860	4,700
Other services		
Taxation advice and tax compliance services	1,102	265
General advisory services	5,730	8,200
Share registry services	2,184	5,399
	9,016	13,864
	18,876	18,564

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	Consolidated 2026 $	Consolidated 2025 $
Profit after income tax expense for the year	166,168	69,854
Adjustments for:		
Depreciation and amortisation	48,502	47,360
Net loss/(gain) on disposal of non-current assets	(2,960)	921
Net loss/(gain) on financial assets through profit and loss	2,875	(2,004)
Dividends reinvested	(1,706)	(1,615)
Gain on lease consolidation	(45,456)	-
Finance costs	-	16,712
Change in operating assets and liabilities:		
Decrease in trade and other receivables	37,506	12,258
Decrease in income tax refund due	-	4,055
Decrease in deferred tax assets	937	6,403
Increase in prepayments	(21,593)	(575)
Decrease in trade and other payables	(13,959)	(11,894)
Increase in provision for income tax	16,834	9,366
Increase in deferred tax liabilities	467	-
Decrease in employee benefits	(14,747)	(3,070)
Net cash provided by operating activities	172,868	147,771

Note 24. Earnings per share

	Consolidated 2026 $	Consolidated 2025 $
Profit after income tax	166,168	69,854
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	379,025	379,025
Weighted average number of ordinary shares used in calculating diluted earnings per share	379,025	379,025
	Cents	**Cents**
Basic earnings per share	43.84	18.43
Diluted earnings per share	43.84	18.43

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across Bendigo Bank's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $	**2025 $**
Profit after income tax	136,018	69,855
Total comprehensive income	136,018	69,855

Statement of financial position

	Parent	
	2026 $	**2025 $**
Total current assets	883,074	699,520
Total assets	2,951,838	1,778,100
Total current liabilities	270,829	166,567
Total liabilities	1,300,823	234,288
Equity		
Issued capital	379,025	379,025
Retained earnings	1,271,990	1,164,787
Total equity	1,651,015	1,543,812

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 2026.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 .

Note 28. Parent entity information (continued)

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 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Neerim District Financial Services Limited	Body Corporate	Australia	-	Australia
Neerim District Property Developments Unit Trust	Unit Trust	Australia	100.00%	Australia

Directors' declaration

30 June 2026

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 2026 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 2026

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the members of Neerim District Financial Services Limited

Report on the Audit of the Consolidated Financial Report

Our opinion

In our opinion, the accompanying consolidated financial report of Neerim District Financial Services Limited (the Group), is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the consolidated financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2026
- the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the consolidated statement of changes in equity for the year ended 30 June 2026
- the consolidated statement of cash flows for the year ended 30 June 2026
- the notes to the consolidated financial statements, including material accounting policies, and
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the Group's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Our opinion on the consolidated 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 consolidated 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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the consolidated financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

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

In preparing the consolidated financial report, the directors are responsible for assessing the Group'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 Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the consolidated financial report is located at the Auditing and Assurance Standards Board website at: Auditor's Responsibilities Statement This description forms part of our auditor's report.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2026

Joshua Griffin
Lead Auditor

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Bendigo Bank

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